

SAUK VALLEY COMMUNITY COLLEGE

BOARD OF TRUSTEES

RETREAT

February 25, 1993

AGENDA

12:00 - Lunch

1:00 - Retreat

ITEM	SESSION	STAFF
1. College Mission and Philosophy	Open	President's Council
2. FY 93 and FY 94 Budget	Closed	President's Council
3. Fitness Center	Closed	President's Council
4. Collective Bargaining (no attachment)	Closed	Behrendt/Appuhn

BREAK - Tour Electricity Generator

5. Inventory Control	Open	Behrendt/Appuhn
6. Auditing Firm	Open	Behrendt/Appuhn
7. Enterprise Zones	Open	Behrendt/Appuhn
8. Personnel Classification	Open	Behrendt
9. Vice President of Instructional Services Search	Open	Behrendt

SAUK VALLEY COMMUNITY COLLEGE BOARD OF TRUSTEES SPECIAL MEETING

February 25, 1993

The Board of Trustees of Sauk Valley Community College met in special session (Annual Retreat) at 1:00 p.m. on Thursday, February 25, 1993 in the third floor Board Room of Sauk Valley Community College, 173 Illinois Route #2, Dixon, Illinois.

Call to Order:

Chair Yemm called the meeting to order at 1 p.m. and the following members answered roll call:

Thomas Densmore	Richard Groharing
William Simpson	Patricia Smith
Margaret Tyne	B.J. Wolf
William Yemm	Jack Squires

SVCC Staff:

President Richard L. Behrendt
Vice President Ron Appuhn
Vice President Karen Kylen
Vice President John Sagmoe
Vice President Virginia Thompson
Secretary to the Board Marilyn Vinson

College Mission:

The Board discussed the college mission and philosophy statement and Vice President Kylen gave a brief history on the current mission statement and outlined the educational philosophy, intended clientele, and specific purposes of such a statement.

Closed Session:

At 1:20 p.m. the Board adjourned to executive session to discuss the appointment, employment or dismissal of an employee and collective negotiating matters. In a roll call vote, all voted aye. Motion carried. Student Trustee Squires advisory vote: aye.

Regular Session:

The Board returned to regular session at 4:19 p.m.

Equipment
Inventory:

The Board discussed the status of the current equipment inventory at the college.

Auditing Firm:

The Board discussed the hiring of an auditing firm for the 1993-94 year.

Enterprise
Zones
Requests:

The Board discussed requests from the cities of Sterling and Dixon on enterprise zones.

Personnel
Classifications:

Discussion was held on the progress of the classified personnel classification study.

Vice President
of Instructional
Services:

President Behrendt reported that to date 60 applications had been received for the Vice President of Instructional Services vacancy and that the search committee had been named and would be meeting on March 1st.

Dormitory:

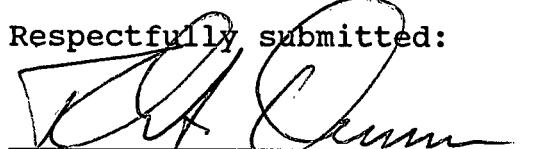
The last item discussed was the possible dormitory project.

Adjournment:

It was moved by Member Simpson and seconded by Member Groharing that the Board adjourn. The next meeting will be 7 p.m. on Monday, March 22, 1993. In a roll call vote, all voted aye. Motion carried. Student Trustee Squires advisory vote: aye.

The Board adjourned at 5 p.m.

Respectfully submitted:



Thomas Densmore, Secretary

I. What is a mission statement.

- Broad statement of fundamental purposes.
- States the social and intellectual aspirations of the College.
- Identifies philosophy, clientele, and services.**
- Describes character, distinctiveness.
- In a public institution, describes legal requirements.
- Basis for goals, objectives and activities throughout the College.

II. Legal requirements.

A. The Illinois Public Community College Act states that a comprehensive community college offers:

- (1) courses in liberal arts and sciences and general education;
- (2) adult education courses; and
- (3) courses in occupational, semi-technical or technical fields leading directly to employment.

The Act provides that "The community college districts shall admit all students qualified to complete any one of their programs...as long as space for effective instruction is available."

"...the college shall counsel and distribute the students among its programs according to their interests and abilities. ...Entry level competence to such college transfer programs may be achieved through successful completion of other preparatory courses offered by the college."

B. The Rules of the Illinois Community College Board

Section 1501.303 states that "the programs of each college shall be comprehensive and shall include: pre-baccalaureate, occupational, and general studies curricula, and public service programs. The curricula leading to an associate's degree shall include "...general education courses designed to contribute to the liberal education of each student." Further, the college shall maintain a library or learning resource center.

Section 1501.403 requires that the college must provide student services including but not limited to advising and counseling, financial aid, and job placement.

ICCB also requires each college to provide services for special populations, and an economic development program. The state provides special grants for these purposes.

C. North Central Association

North Central's requirements are quite general in nature. However, North Central requires a general education component in degree programs, and requires that there are learning resources and support services appropriate to the college's degree programs.

MISSION STATEMENT

PHILOSOPHY

Education is the best single means of improving the quality of peoples' lives. In order to be educated, a person must not only acquire knowledge but must also learn to think independently and creatively, value logical and tested conclusions, develop problem solving abilities, apply learning, and function effectively with other people. We believe that education contributes significantly to individual health and happiness and also benefits the organizations and communities in which individuals work and live.

Education is also a cornerstone in a free democratic society and the public community college is the most accessible avenue of opportunity for all citizens to reach their potential. Sauk Valley Community College is committed to quality education and academic excellence and to providing opportunity by admitting all persons who can benefit from its programs. This commitment is realized by offering a broad range of educational programs that meet the different needs, abilities, backgrounds, and goals of the community, by providing a strong counseling program and student support services, and by maintaining a low tuition cost.

Accordingly, the college affirms the following fundamental beliefs about education:

- Learning is a lifelong process and all individuals should have opportunities for lifelong education.
- Education should help individuals develop to their maximum capacity through academic excellence and occupational proficiency.
- No person should be deprived of educational opportunities because of race, age, sex, religion, national origin, ethnic background, or disability.
- Education should provide for personal enrichment.
- The college is an integral part of the community it serves and must be a community leader by initiating programs and services in response to identified needs, interests, and trends.
- The pursuit of excellence in all endeavors is fundamental to the operation of the college.

STUDENT GOALS

The general goal of all college students must be the acquisition of the values inherent in obtaining a college degree; i.e., the ability to communicate effectively, engage in problem solving, clarify values, understand social institutions, and the ability to use science and technology, appreciate the arts, and to maintain personal health.

The college serves students directly out of high school, part-time learners who may also be employed, men and women starting or resuming their education some years after high school, qualified high school students, and senior citizens. The goals of these individuals are as diverse as the learners themselves. These goals include but are not limited to:

- *Completing the freshman and sophomore requirements of a bachelor's degree
- *Completing a career program and/or learning/upgrading career related skills
- *Personal enrichment or general interest
- *Achieving competence in both the basic skills of reading, writing, mathematics, as well as in speaking and listening skills
- *Completion of a high school equivalency diploma
- *Development of new interests and friends

FUNCTIONS OF THE COLLEGE

The college is legally mandated, as a public comprehensive community college, to perform EDUCATIONAL, STUDENT SUPPORT, and PUBLIC SERVICE functions to implement the college philosophy.

Educational Functions

College Transfer Education...Programs and courses in the liberal arts and sciences and in pre-professional curricula which transfer to a four year college or university.

Career Education...Programs and courses in business, technical, and health fields designed to prepare individuals for employment or to upgrade the skills and knowledge of employees.

Developmental Education...Programs and courses designed to upgrade skills in reading, mathematics, and writing so that individuals can achieve competence and/or succeed in college level work. General Educational Development (GED), Adult Basic Education (ABE), and English as a Second Language (ESL) programs are also offered.

Community, Extended, and Continuing Education...Courses, workshops and seminars offered on a credit or non-credit basis in communities throughout the district in response to local needs and interests, including customized training programs for business and industry.

Student Support Functions

Sauk Valley Community College provides comprehensive student support services, including admissions, financial aids, educational testing and assessment, counseling, academic advising, tutoring, job placement assistance, and special assistance for disabled and educationally disadvantaged students. The college also offers a comprehensive program of co-curricular activities and intercollegiate athletics. The Learning Resource Center supports the instructional program through instructional materials and professional services of the library and audiovisual center. The combination of these services contribute to educational accessibility for all and to student success and enrichment.

Public Service Functions

Sauk Valley Community College is an integral part of the community and recognizes its responsibility to enhance the social, cultural, and economic life of the area it serves. To this end the college is both a leader and a resource center for the community. Individuals, civic and community groups are encouraged to use college facilities. The college is committed to sponsoring cultural and current events programs which include performances, lectures, forums, and exhibits. Services to area community organizations, business and government include special studies, counseling, and consulting.

DEGREES

Sauk Valley Community College is authorized to confer Associate in Arts, Associate in Science, and Associate in Liberal Studies degrees to students completing requirements in the college transfer programs. The college confers the Associate in Applied Science degree and the Certificate to students completing requirements in career education programs.

SAUK VALLEY COMMUNITY COLLEGE
 FISCAL YEAR 1994 ESTIMATED EXPENDITURES
 OPERATING FUNDS

2/15/93

AGENDA ITEM - 2

BY OBJECT	FY 93 BUDGET	FY 93 PROJECTED	FY 94 BUDGET
Salaries	\$4,581,018	\$4,571,000	\$4,650,000
Employee Benefits	519,415	486,000	519,000
Contractual Services	266,300	266,000	261,000
Gen. Materials & Supplies	466,368	478,000	478,000
Conf. & Meeting Expense	90,100	90,000	90,000
Utilities	366,200	366,000	266,000
Capital	72,640	73,000	0
Other	27,000	27,000	27,000
Provision for Contingency	5,959	1,000	0
 TOTAL EXPENDITURES	 \$6,395,000	 \$6,358,000	 \$6,291,000

FY 94 Assumptions:

1. Salaries - Summer school contract increase = +12
 - Salary increase 2.54% (equal to faculty steps and promotions).
(1% = 43K(FT) + 3K(PT)) = +115
 - No increase in part-time faculty pay
 - Grant positions continued = +40
 - Student activity salaries transferred with \$1 increase = -50
 - Hartje and Palumbo replaced by Damhoff to full time, addition of half-time learning disability position and part-time staff (-91 + 15 + 20) = -56
 - Addition of half-time financial aid classified staff = +8
 - Adjustments for overtime, switchboard coverage, and vice president overlap will be offset by continuation of part-time business office staff and annualized savings from other position reductions in FY 93
2. Fringes - Net decrease of one full-time staff member = -5
 - Grant positions continued = +5
 - Medical insurance costs frozen
 - No change in retirement costs (\$32,000 budgeted)
3. Contractual - Computer insurance = -10
 - Legal expense for property tax protests = +5
4. General Materials and Supplies - Postage increased to actual, other items frozen = +12
5. Conference and Meeting Expense - Frozen
6. Utilities - Additional generator savings = -78
 - Elimination of 800 number = -22
7. Capital - Eliminated (except for non-operating college funds and outside sources) = -73
 - No adjustments for other facility needs
8. Other - No change (would be eliminated if chargebacks are legislatively changed)
9. Contingency - Eliminated = -6

**SAUK VALLEY COMMUNITY COLLEGE
FISCAL YEAR 1994 ESTIMATED REVENUES
OPERATING FUNDS**

2/15/93

AGENDA ITEM - 2

OPERATING REVENUES BY SOURCE	FY 93 BUDGET	FY 93 PROJECTED	FY 94 BUDGET
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Local Government:			
1/2 of 1991(92) Taxes	\$932,000	\$930,000	\$953,000
1/2 of 1992(93) Taxes	960,000	953,000	977,000
Chargeback Revenue	5,000	5,000	5,000
TOTAL LOCAL GOVERNMENT	1,897,000	1,888,000	1,935,000
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State Government:			
ICCB Credit Hour Grants	1,424,768	1,424,768	1,475,000
State Equalization Grant	426,845	426,845	442,000
State Board of Education-			
Voc. Educ. Regular	75,000	95,000	88,000
Corporate Personal Property			
Replacement Taxes	196,387	196,387	196,000
TOTAL STATE GOVERNMENT	2,123,000	2,143,000	2,201,000
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Federal Government:			
Other Federal Revenue	7,000	7,000	7,000
TOTAL FEDERAL GOVERNMENT	7,000	7,000	7,000
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Student Tuition and Fees:			
Tuition	1,844,000	1,772,000	1,870,000
Fees	67,000	80,000	80,000
TOTAL TUITION AND FEES	1,911,000	1,852,000	1,950,000
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Other Sources:			
Facilities Revenue	5,000	9,000	9,000
Investment Interest Revenue	75,000	70,000	60,000
Miscellaneous Revenue	39,000	74,000	39,000
Transfer from Working Cash			
Fund	110,000	100,000	90,000
Transfer from Auxiliary Fund	38,000	38,000	0
TOTAL OTHER SOURCES	267,000	291,000	198,000
TOTAL BUDGETED REVENUE	\$6,205,000	\$6,181,000	\$6,291,000
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FY 94 Assumptions:

1. EAV increase of 2.5%.
2. Credit hour and equalization increase of 3.5% (IBHE recommendation is 5.1% overall).
3. Tuition increase of \$3 (\$2 tuition + \$1 student activity fee allocation).
4. Enrollment stable (same as FY 93).
5. No auxiliary fund transfers (bookstore funds are available).
6. Credit hour grants generated by DOC are not included.

SAUK VALLEY COMMUNITY COLLEGE
PROPOSED FITNESS CENTER
DISCUSSION ITEMS

2/22/93

I. NEED

- A) Improve physical education curriculum
- B) Expand student course offerings - enrollment growth
- C) Community service (wellness)
- D) Employee benefit (wellness, morale)
- E) Potential new student market
- F) Industry tie-in (wellness)
- G) Demonstrated demand in similar college environments

II. FINANCES

- A) Construction cost of \$57,700 - could be provided from non-operating sources (student services special account, bookstore, other)
- B) Equipment cost of \$70,000 - \$80,000 could be funded by lease-purchase for five years, which would be covered by \$20 lab fee
- C) Other operating costs for staff and supplies would be offset (and eventually exceeded) by revenues from tuition, state reimbursement, and other sources

III. OPERATIONAL CONSIDERATIONS

- A) Determination of necessary staff
- B) Hours of operation
- C) Heating and air conditioning requirements
- D) Appropriate timetable

IV. LOCATION

- A) Most reasonable location is on the first floor, northside, in the area between west main entrance and snack bar area
- B) This location is as close to lockers and showers as possible
- C) This location allows for future instructional use (if needs are re-defined) and for expansion at a reasonable cost if needed

V. ACTIONS TO BE TAKEN

- A) Discussions with internal and external constituencies
- B) Preliminary (unofficial) review with ICCB
- C) Preparation of formal proposal
- D) Presentation to Board prior to June 30
- E) If approved, modification to budget and request formal ICCB approval

TO: Dr. Richard Behrendt
FROM: Ron Appuhn *Ron*
DATE: February 17, 1993
SUBJECT: Inventory Control

As discussed in my memo of November 18, 1992, equipment inventory control problems are not new for Sauk (or many public settings). Apparently a physical inventory review has never been done at Sauk. External auditors and insurance carriers would recommend a complete inventory count every five to ten years.

With the current inventory list so outdated, the most reasonable approach is to completely recount and re-tag the inventory essentially from scratch but using some available cost data where practical. I have attached the major components of an inventory proposal from Valuation Counselors Group, Inc., which represents a sound approach to our challenge.

The advantages outlined in this proposal center on complete re-tagging with barcodes, listing only assets over a certain dollar value (\$400 - \$500 is my recommended threshold) for accounting purposes, including insurance values, and providing several good updating options. Given the lack of adequate manpower to successfully manage a recount internally and the relatively moderate price of outside processing, I recommend that we proceed with an inventory proposal similar to the attached.

An important facet of any inventory control program is a commitment to keep the records properly updated. Specific procedures will have to be prepared and implemented with proper priority.

An ideal timetable would be Board discussion at the February 25 retreat, with possible Administration action shortly thereafter targeted for completion and implementation prior to June 30.

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SAUK VALLEY
COMMUNITY
COLLEGE

173 IL RT. 2, Dixon, IL 61021 • 815/288-5511

MEMORANDUM

TO: Dr. Richard Behrendt
FROM: Ron Appuhn *Ren*
DATE: November 18, 1992
SUBJECT: Response to Management Letter from Auditors

The auditors' comments for FY 92 focus on equipment inventory control. This concern is not new for Sauk, nor is it new for any small college. The concern is accurate--the College does not have the methodology to account for every piece of equipment. However, the College does make a good faith effort to update the existing inventory list on an annual basis.

The challenge here is finding a solution that is practical and affordable. The auditors' suggestions, while well intended, are not workable. To make the list accurate will involve almost starting over from scratch, and an outside firm or new employee(s) will be required to get this done. In addition, every department on campus would have to openly support and prioritize this effort. This will be difficult to accomplish, since many will view this as detracting from Sauk's mission of serving students. Even after the master list is updated, it will take more effort and cooperation between departments to continually update the equipment list.

In my opinion, the monetary cost of a new physical inventory could be paid from the Liability, Protection and Settlement Fund as a risk management expense. How to verify the inventory and keep it updated is subject to much more discussion.

I recommend that we prepare a detailed proposal for discussion with the Board at the February Board workshop.

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cc: Cindy Watkins

INTRODUCTION

This proposal was prepared after a review of the current properties and fixed assets of Sauk Valley Community College. Our Fixed Asset Appraisal Group is committed solely to this one highly specialized service and our extensive experience in the public sector provides the basis of our recommendations. We feel the implementation of our study, along with the involvement of your staff, will result in an automated fixed asset ledger providing timely, accurate, cost effective reports and the enhancement of property control procedures. We solicit your input and suggestions to insure complete satisfaction.

OBJECTIVES

Establishing an auditable property record of the fixed assets will assist you in achieving compliance with the following:

- Governmental Generally Accepted Accounting Principles for State and Local Governments
- Codification of Governmental Accounting and Financial Reporting Standards as of June 30, 1992
- Governmental Accounting, Auditing, and Financial Reporting, Government Finance Officers Association, 1988
- U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments
- U.S. Office of Management and Budget Circular A-133, Audits of Institutions of Higher Learning and Other Non-Profit Institutions
- The pending Governmental Accounting Standards Board Recommendations on Project 9 - Fixed Asset Accounting and Infrastructure
- Audits of State and Local Governmental Units, prepared by the Committee on Governmental Accounting and Auditing, American Institute of Certified Public Accountants, 1986
- Disclosure Guidelines for State and Local Government Securities Government Finance Officers Association, 1988
- The requirements for the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

VC

SCOPE

Your report will include statements indicating that the procedures followed during this engagement and the results compiled were determined in accordance with prevailing regulations and recommendations.

The services we propose will be conducted on the basis of historical cost for financial reporting purposes and reproduction cost for optional reporting purposes.

- Historical Cost is defined as the estimated cost of the asset in accordance with costs prevailing at the estimated date of construction, installation, or acquisition.
- Reproduction Cost is defined as the cost of producing new duplicate assets on the basis of current prices using the same or similar materials.

The report will include items inventoried by or provided to Valuation Counselors Group, Inc. as of the fiscal year end, June 30, 1993.

The assets to be included and the method of accumulating this information is as follows:

Buildings and Land Improvements

Included based on information provided

Major Movable Equipment

Included based on a physical inventory taken by Valuation Counselors Group, Inc. of items with an estimated historical cost greater than \$500 or optionally, \$1,000

Vehicles

Included based on information provided

Tagging

If the option of an asset tagging program is selected, Valuation Counselors Group, Inc. recommends and will apply a mylar, pressure-sensitive adhesive, machine readable tag. Metal tags that use an adhesive activating solvent will not be applied by Valuation Counselors Group, Inc. personnel.



SCOPE (Continued)

Tagging (Continued)

Samples of plain and bar-code tags are provided in the "Exhibits" section of the attachments. Valuation Counselors Group, Inc. has developed its own proprietary computer software which is utilized in a hand-held computer device and is programmed to accept either type tag. Tagging includes only major movable equipment.

Excluded from this appraisal will be land, supplies, and assets of artistic or historic significance.

METHODOLOGY

I. Client's Responsibilities

In order to insure the maximum use of the time available, we believe the following assistance is necessary:

- Submit a list of the buildings and departments to be inventoried
- Provide a liaison to answer questions, provide data, and arrange access to certain sensitive areas and specific personnel
- Submit lists of vehicles with acquisition dates and original costs

II. Valuation Counselors Group, Inc. Responsibilities

Valuation Counselors Group, Inc. will provide the following under this engagement:

- Conduct an inventory to include information necessary to identify and assign historical costs
- Perform an inventory of equipment with unit historical costs greater than \$500/\$1,000. Each item inventoried will be identified by generic name, manufacturer's name, model number, serial number, acquisition date, historical cost and asset number, to the extent possible. If tagging option is selected, labels will be affixed at this time.

METHODOLOGY (Continued)

- Review existing recorded data to ascertain historical costs. The historical cost for items not identified during this procedure will be developed using generally acceptable appraisal techniques which include application of reverse trend factors
- Provide reproduction cost based on indices applied to items with historical costs (for those assets included for accounting purposes).
- Complete report processing and develop final reports

REPORTS

This detailed asset listing will include the following information:

- Client name and date of report
- Location
- Account
- Fund (for type of fund segregation, specific fund assets must be provided)
- Department cost center
- Building
- Asset tag number (if applicable)
- Item number within report
- Quantity
- Description of the asset including manufacturer's name, serial number, make, model number
- Codes applicable (such as fund participation, ownership, generic, etc.)
- Estimated life
- Historical cost
- Current year's depreciation
- Accumulated depreciation

Summary reports organizing data as follows:

- By location, account, and department

The actual report format is included in the "Exhibit" section of this proposal.

Machine Readable Media

The computer data file that develops the described reports will be available in a machine readable media of magnetic tape or floppy diskette. Records will be in a fixed Valuation Counselors Group, Inc. format and fixed length.

FEES

Based on the scope and methodology outlined in this proposal, our fees for these services are as follows:

Inventory and Report Preparation for fixed asset accounting and financial reporting:

1. \$500 Threshold	\$14,500
2. \$1,000 Threshold	\$11,000

Optional Insurance Placement Reports:

1. Trend Accounting Report with inclusion of minors based on information provided	\$ 1,000
2. Trend Accounting Report and include all minors grouped by type or class in summary	\$ 4,500

Revision Options:

1. Annual Revision Service	\$ 1,000
2. Machine readable magnetic tape for downloading to current system	\$ 500
3. PC-Based, Fixed Asset Accounting System	\$ 1,995

Progress invoices, which are payable upon receipt, will be submitted throughout this assignment. Invoices will be based on a 20% retainer, 40% at the completion of the inventory, 30% upon completion of the costing phase, and 10% upon delivery of our final report. Payment of the first three invoices must be received prior to delivery of the final report.

UPDATE PROCEDURES

Revision Service

To maintain your investment in your new property record system, we further propose to update the record annually by means of our Revision Service. This is a cooperative effort between Valuation Counselors Group, Inc. and your staff. Each year, the changes affecting your property record are assembled and reported, using forms supplied by us or provided in a computer readable medium, to our Revision Service Department. These changes are reviewed and incorporated into your previous year's report and a new current property record is generated and sent to you.



Mr. Ron Appuhn
Sauk Valley Community College

January 11, 1993
Page Six

Revision Software

Our PC-based software system "VC-FAVOR" allows for your internal accounting and control of fixed assets. Providing functionality and flexibility, this system meets numerous accounting and reporting needs relating to cost reconciliation and depreciation.

ATTACHMENTS

Professional Qualifications

We have included professional qualifications for several members of our staff who likely will be assigned to your project.

References

We have included a profile of Valuation Counselors Group, Inc. and an additional listing of clients for whom we have provided similar services. We suggest you discuss with them their experience with our firm.

Exhibits

We have included sample pages of the type of report which we recommend. Please note that they are of letter size, all inclusive, and produced on a laser printer for the best possible quality and clarity. We have found that this size report is easier for the client to work with and is functionally identical to reports requiring large size paper or multiple reports.

We are also including samples of various tags/labels for your review. Those shown with customized logos and identification require extra charges.





**SAUK VALLEY
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COLLEGE**

173 IL Rt. 2, Dixon, IL 61021 * 815/288-5511

AGENDA ITEM - 6

MEMORANDUM

TO: Dr. Richard Behrendt
FROM: Ron Appuhn *Ron*
DATE: February 8, 1993
SUBJECT: College Audit

The College has engaged the same external auditing firm for many years. It is appropriate for the Board of Trustees to periodically review its relationship with its auditing firm.

The Board Retreat would be an ideal setting for Board review of the audit process. I have attached a generic list of considerations that the Board could address when reviewing the audit process. In addition to this list, the Board could also discuss firm qualifications, bidding, location (in-district versus out-of-district), and other related topics.

The ideal timetable for auditor selection would be Board discussion at the February 25 retreat and possible Board action at the March 22 regular meeting.

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SAUK VALLEY COMMUNITY COLLEGE
SUMMARY OF AUDITING CONSIDERATIONS
FEBRUARY, 1993

- I. Status of Current Auditing Firm
 - A. Name - Lindgren, Callihan, VanOsdol & Co., Ltd.
 - B. Location - Sterling, Illinois
 - C. Service - from inception of the College
 - D. Cost - approximately \$24,000 annually
- II. Standard Questions to Review When Annually Evaluating an Auditing Firm
 - A. Does the firm meet our primary expectations of accuracy, timeliness, and service quality?
 - B. Does the firm have the depth to understand the specialized needs of a community college?
 - C. Is the firm the right size - large enough to provide a full range of options, but small enough to appreciate the importance of us as a client?
 - D. Does the firm have the resources to keep us informed of new policies and regulations which can impact us, or do we provide them with that information?
 - E. Is there frequent and productive communications?
 - F. Do we rely on the firm for advice and consultation or merely technical assistance?
- III. Advantages of Staying With the Current Auditing Firm
 - A. There is a history of an established, working relationship between the firm and the College.
 - B. Staff at the College and at the firm have low turnover, leading to continuity at audit time.
 - C. College systems and procedures are familiar, and College time is not spent training auditors.
 - D. Respective staffs are familiar with responsibilities of everyone involved during the audit.
- IV. Advantages of Changing Firms
 - A. A new firm brings fresh perspectives and ideas, lending to improved management letter suggestions.
 - B. A new firm may better address shortcomings identified with current firm in Section II above.
 - C. A new firm brings more attention, as the new firm typically puts this work at the "top of the list".
 - D. A new firm may bring an availability of greater industry expertise (not all firms have the same experience).
 - E. A new firm may bring an availability of a more experienced firm with greater depth and diversity. Beyond audit and accounting needs, Sauk may have other management advisory needs or desire access to broader resources.
 - F. A new firm may have lower fees or provide fee alternatives.



**SAUK VALLEY
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173 IL Rt. 2, Dixon, IL 61021 • 815/288-5511

MEMORANDUM

TO: Dr. Richard Behrendt
FROM: Ron Appuhn *Ron*
DATE: January 4, 1993
SUBJECT: Board Retreat Topic - Tax Abatement Policy and Enterprise

At its regular meeting in November 1992, the Board expressed a desire to review the current policy regarding tax abatement and to further discuss enterprise zones. I have attached some informational materials for review by the Board prior to discussion at the February retreat.

The first attachment is a copy of Board Policies 306.01 and 307.01 (pages 317-329), which refer to the general tax abatement policy and the specific abatement policy for Lee County. The second attachment is a copy of an enterprise zone informational package, which was prepared by DCCA.

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NOTE: Also attached is a December 1, 1992 letter from the Whiteside County Enterprise Zone indicating their wish to be considered as well.

306.01 Abatement Policy

The College views the economic health of the District as a matter of great importance to the College. The Board will look favorably toward tax abatements when by virtue of a tax abatement, a significant benefit to the District in economic terms can be realized. Abatement may be appropriate whether the need arises by virtue of expansion of an existing business, or for attraction of new business. The Board will be concerned with a net benefit in comparison with any short term detriment which the College may suffer as a result of the abatement as compared to non-abatement, and will be concerned also with other benefits which the College District may enjoy as a result of the expansion of new business.

Tax abatement requests must be submitted in writing to the Board of Trustees of Sauk Valley Community College, District 506. All such requests will be considered on an individual basis. Tax abatements will not be granted for a period of time in excess of ten years.

Procedure

At the request of the Board of Trustees, the college president will appoint a committee from administration to consider an abatement request and develop a request recommendation to the Board. In developing its recommendation, any such committee shall take at least the following steps:

1. Meet with representatives of the firm or organization requesting the District #506 tax abatement, and review the policy of the Board, the annual dollar amount of the abatement, the number of years of abatement, and the total amount of the abatement.

2. Estimate the training programs or educational services available through the college the entity seeking abatement might utilize. The value, insofar as possible, of these services should be determined.

3. Consult with representatives of all other taxing bodies affected by the abatement request.

4. Review the nature of any claimed hardship and its validity.

The committee will establish procedures appropriate to permit it to make a recommendation to the Board and to maintain sufficient contact with the entity seeking abatement to determine whether the project is in fact proceeding.

Please note p. 319 307.01 Abatement of Real Estate Taxes in
Lee County

8/27/84

3/23/87

307.01 Abatement of Real Estate Taxes in Lee County

Section 1. Policy - This Board shall abate real estate taxes in Lee County from time to time upon the terms and conditions set forth in this policy, but no abatement shall become effective until the Board of Trustees has, by Resolution, approved the application, established the terms of abatement, and directed the County Clerk of Lee County to abate taxes, all in accordance with the Illinois Revised Statutes and regulations.

Section 2. Applications - Applications for tax abatement shall be verified and in writing to the President of the College and shall include the following information:

- A. Name, address, and telephone number of the applicant;
- B. Name, title, address, and telephone number of representative making application (if different from applicant);
- C. Statement describing applicant's business (1) generally and (2) at location where abatement is requested;
- D. Description (legal description and/or street address) of site;
- E. Real estate tax code(s) for site;
- F. Current equalized value for site (by parcel and total EAV), and current taxes paid (by parcel and total tax);

G. Name and address of owner of site if different from applicant;

H. Description of current business operations conducted on site, including number of employees working full-time and part-time;

I. If applicant is a corporation, submit a photocopy of the certificate of incorporation if an Illinois corporation, or the certificate of authority if a foreign corporation, together with any amendments thereto, or certificates of good standing, and copies of the applicant's most recent annual corporate report to the Secretary of State of the state of incorporation;

J. If applicant is not a corporation, name, address and primary occupation of all partners or individuals having an ownership interest, direct or indirect interest, greater than 10% in the business to be conducted on site for which the abatement is requested;

K. Statement of the total number of full-time and part-time employees to be 1) hired, 2) added, or 3) retained as a result of the location/expansion project, together with a brief description of the jobs anti-cohabited to be so created or retained, total estimated payroll for each job category, and the combined estimated payroll for all job categories;

L. Total estimated cost of the expansion/location project;

M. Estimated market area for product manufactured or sold;

N. Terms of abatement requested;

O. Estimated dollar amount of abatement being requested (total aggregate amount and total annual amount for length of term requested); and

P. Such other additional information as may be requested from time to time by taxing body.

SECTION 3. GUIDELINES - Guidelines for consideration of application for tax abatement shall be as follows:

A. The nature and extent of any abatement shall be determined by the potential economic and community development benefits to the general community including potential employment and other expenditures related to construction, potential increases in the community's work force and payroll, increases in assessed valuation, potential encouragement of further economic and community development, and the avoidance of work reductions or decreases in assessed values;

B. Abatements will apply only to projects which are reasonably expected to cost in excess of \$200,000.00 or are reasonably expected to result in the creation of ten or more jobs in the College District or retention of ten or more jobs in the College District, without causing loss of jobs from other employers located in the College District;

C. Any area within Lee County in the jurisdiction of the College District shall be eligible, subject to limitations and provisions of zoning and building codes;

D. The terms of any tax abatement shall not exceed the limitations of state laws, and the Board of Trustees may add such further restrictions, limitations and conditions as it considers necessary;

E. Applications for abatement may be considered on a priority basis which takes into account anticipated economic development benefits, the time of filing and the total aggregate of all outstanding abatements for applications for abatement in any one year;

F. Reference to commercial or industrial firms in this policy shall include any person or business entity that qualifies as an applicant for tax abatement under Chapter 120, Section 643, Illinois Revised Statutes as the same may hereinafter be amended; and

G. All projects may be commenced not less than ninety days following approval of the application.

SECTION 4. ABATEMENT TERMS - The total aggregate allowed any single applicant shall not exceed the statutory maximum applicable, and no ordinance adopted pursuant to this policy shall be construed to allow any excess abatement:

A. Amounts: Firms that are qualified under Section 3 of this policy may be granted an abatement the amount which shall not exceed the following limits:

1. New commercial or industrial firms locating within the College District in Lee County or existing firms expanding their facilities within the College District in Lee County, when such location or expansion is reasonably expected to result in an increase in the work force and an increase in the assessed valuation of the premises in question, may be granted an abatement up to 100% if the additional taxes which would otherwise arise as a result of the increase in the equalized assessed value. A minimum abatement of 50% shall be granted targeted industries.

2. Existing commercial or industrial firms expanding their facilities within the College District in Lee County, when such expansion is reasonably expected to result in an increase in the assessed value of the premises in question and no increase in the work force, but is expected to retain existing employees, may be granted an abatement up to 75% of the additional taxes which would otherwise arise as a result of the increase in the equalized assessed value. A minimum abatement of 25% shall be granted targeted industries.

3. Existing commercial or industrial firms expanding their facilities within the College District in Lee County, when such expansion is reasonably expected to result in an increase of assessed value, but no increase in the work force and a reduction in the existing work force, may be granted an abatement up to 50% of the additional taxes which would otherwise arise as a result of the increase in the equalized assessed value.

B. Length: Firms that are qualified under Section 3 of this Policy may be granted an abatement the length of which shall not exceed the following limits:

1. New commercial or industrial firms located within the College District in Lee County or existing firms expanding their facilities within the College District in Lee County, when such location or expansion is reasonably expected to result in an increase in the work force and an increase in the assessed valuation of the premises in question may be granted an

abatement for not more than ten years. A minimum abatement of five years shall be granted targeted industries.

2. Existing commercial or industrial firms expanding their facilities within the College District in Lee County, when such expansion is reasonably expected to result in an increase in the work force, but is expected to retain existing employees, may be granted an abatement for not more than seven years. A minimum abatement of three years shall be granted targeted industries.

3. Existing commercial or industrial firms expanding their facilities within the College District in Lee County, when such expansion is reasonably expected to result in an increase of assessed value, but no increase in work force, and a reduction in the existing work force, may be granted an abatement for not more than five years. A minimum abatement of one year shall be granted targeted industries.

C. Computation: Tax abatements shall be computed by 1) determining the current amount of taxes paid on the property in question, 2) estimating the increase in assessed value of the property as a result of the proposed development, 3) calculating the increase in taxes which would result from such increase in assessed value at current tax rates, and 4) applying the approved percentage and term (length) of abatement to determine the total approved abatement in dollars. The resolution adopting the abatement shall then establish the total abatement approved and, where applicable, the amount of each installment.

Example: Land currently paying \$1,000 annual tax. The \$1,000 is the base, unabated tax. A qualified project is estimated to increase equalized assessed value so as to result in \$3,000 in taxes annually. Tax abatement approved at 50% over 5 years. Total amount of abatement is \$5,000. (50% x \$2,000 increase x 5 years). Resolution will grant \$5,000 abatement in installments such as: 1) \$1,000 each year for 5 years; or 2) \$1,500 in years 1 and 2, \$2,000 in year 3, and \$500 in years 4 and 5. Installments could be flexible. Each year taxpayer will pay the full amount of the unabated tax (\$1,000 in the example), and receive a credit in the agreed amount towards the increase, if any, over the base, unabated tax.

D. Targeted Industries: By this resolution and from time to time by adoption of amendments hereto, certain industries shall be designated as "targeted industries" for the purpose of economic development. It is the legislative purpose of this Board of Trustees to determine and identify the types of industries which are critical to the area's economy and future growth. The general categories for such retention and growth activities are: food and kindred products; printing and publishing; cement and concrete products; blast furnaces and foundries; fabricated metal products and machinery; tourism; plastics; leather products; manufacture of retail products; insurance; and health care and social services. Applicants within such industries shall be encouraged by entitlement to minimum abatement. A complete schedule of targeted industries is attached to this resolution and made a part hereof.

E. Limitation: The actual amount and length of the abatement shall be considered on a firm by firm basis using the guidelines and other criteria established by the policy.

TARGETED INDUSTRIES FOR ECONOMIC DEVELOPMENT
(City of Dixon)
POLICY ON TAX ABATEMENT

*SIC reference is U.S. Standard Industries Code

TARGETED INDUSTRIES - GROWTH

I. Food and Kindred Products

Sugar/Confectionery - *206
Fats and Oils - *206
Miscellaneous Food - *209

II. Plastics, Leather and Concrete Products

Plastic Products - *307
Shoe Stock/Bindings - *313
Concrete and Plastic Products - *327

III. Fabricated Metals and Machinery

Fabricated Metals Products - *344
Miscellaneous Fabricated Metals - *349
General Industries Machinery - *356
Miscellaneous Manufactures - *399

IV. Retail Products

Farm Products/Raw Materials - *515
Nondurable Goods - *641

V. Insurance

Fire/Casualty Insurance - *633
Title Insurance - *636
Insurance Agents - *641

VI. Health Care and Social Services

Nursing Homes - *805
Outpatient Facilities - *808
Residential Care - *836
Social Services - *831

VII. Printing and Publishing

Newspapers - *271

VIII. Tourism

Variety Stores - *533
General Merchandise Stores - *539
Clothing Stores - *539
Miscellaneous Personal Services - *729
Amusement/Recreation - *799

TARGETED INDUSTRIES - RETENTION

I. Food and Kindred Products

Dairy Products - *202
Grain Mill Products - *204

II. Printing and Publishing

Miscellaneous Converted Paper - *264
Commercial Printing - *275

III. Cement, Concrete Products

Cement/Hydraulic - *324

IV. Blast Furnaces/Foundries

Blast Furnaces/Steel - *331
Iron/Steel Foundries - *332

V. Fabricated Metal Products & Machinery

Cutlery, Tools, Hardware - *342
Screw Machine Products - *345
Miscellaneous Machinery, not elect. - *346
Motor Vehicles/Equipment - *371
Measuring/Control Devices - *382

VI. Tourism

Grocery Stores - *541
Women's Stores - *562
Shoe Stores - *566
Hotels/Motels - *701
Movie Theaters - *783

TARGETED INDUSTRIES - SUPPLIES

I. Food and Kindred Products

Fabricated Metal Products
Glass Products
Livestock
Agricultural Products
Paperboard Containers
Truck Transportation
Business Services

II. Fabricated Materials

Metalworking Machinery
Miscellaneous Machinery
Nonferrous Materials
Primary Iron and Steel
Miscellaneous Plastics
Business Services
General Industrial Machinery

III. Insurance

Printing and Publishing
Communications
Real Estate
Business Services

IV. Printing/Publishing

Paperboard Products
Air Transportation
Communications
Business Services

V. Plastics, Leather, Concrete

Miscellaneous Manufacturing
Fabricated Metals
Miscellaneous Plastics
Paperboard Products
Business Services
Truck Transportation
Inorganic Chemicals

VI. Retail Products

Glass Products
Electric Utilities
Radio and Television
Finance
Communications
Real Estate

VII. Health Care/Social Services

Drugs
Food and Kindred Products
Printing and Publishing
Electric Utilities
Finance
Communication
Business Services

VIII. Tourism

Food and Kindred Products
Miscellaneous Manufactures
Printing and Publishing
Electric Utilities
Finance
Communications
Business Services

ILLINOIS ENTERPRISE ZONE PROGRAM

TAX QUESTIONS AND ANSWERS

August, 1989

ILLINOIS ENTERPRISE ZONE PROGRAM TAX QUESTIONS AND ANSWERS

The Illinois Enterprise Zone Act took effect December 7, 1982. An Enterprise Zone is a specific area designated by the State of Illinois in cooperation with a local government to receive various tax incentives and other benefits to stimulate economic activity and neighborhood revitalization.

The Enterprise Zone is administered at the state level by the Illinois Department of Commerce and Community Affairs. For general information on the program, contact the Department at 312-917-2319 in Chicago, or at 217-785-6142 in Springfield. To hear a tape recording describing this program, call toll free at 1-800-TEL-DCCA (1-800-835-3222) and request tape 135.

Enterprise zones range from a half square mile to thirteen square miles. Portions of the following municipalities and counties have been designated as enterprise zones.

ENTERPRISE ZONES AS OF AUGUST 1, 1989

Bartonville/Peoria County	Kewanee
Beardstown	Lincoln/Logan County
Belleville	Macomb/McDonough County
Belvidere/Boone County	Massac County
Bloomington/Normal/McLean Co.	Maywood
Bureau/Putnam County Area	McCook/Hodgkins
Cairo/Alexander County	Mendota
Cal-Sag (Robbins, Blue Island, Worth, Alsip and Crestwood)	Monmouth
Calumet City Region	Morton
Canton/Fulton County	Mound City/Pulaski County
Carmi/White County	Mt. Carmel
Centralia Area	Mt. Vernon/Jefferson County
Champaign/Champaign County	Nashville/Washington County
Chicago I	Olney/Richland County
Chicago II	Ottawa/LaSalle County
Chicago III	Pekin/Tazewell County
Chicago IV	Peoria
Chicago V	Quad Cities (East Moline, Moline and Silvis)
Chicago VI	Quincy/Adams County
Chicago Heights	Rantoul
Cicero	Riverbend (Alton, East Alton, Hartford, Roxana, South Roxana, Wood River and Madison County)
Danville/Tilton	Rockford
Decatur	Rock Island
Des Plaines River Valley (Joliet, Will County, Lockport and Rockdale)	Southwestern Madison County (Madison City, Granite City, Venice and Madison County)
Dixon/Lee County	Springfield
East Peoria	Streator/LaSalle County/Livingston County
East St. Louis	Summit/Bedford Park
Effingham/Effingham County	Urbana
Elgin	Vandalia/Fayette County
Flora/Clay County	Washington
Galesburg	
Greenville	
Harvey	

Illinois Valley (LaSalle, Peru, Oglesby, Utica and LaSalle County) Kankakee County Kankakee River Valley (Kankakee, Bradley, Bourbonnais and Kankakee County) West Frankfort Whiteside County (Sterling, Rock Falls, Morrison and Whiteside County)

ENTERPRISE ZONE TAX BENEFITS

The following summarize the most often asked questions on the tax benefits offered through the Enterprise Zone Program.

INVESTMENT TAX CREDIT

What is the enterprise zone investment tax credit? The Illinois Income Tax Act (Ill. Rev. Stat. 1987, ch. 120, par. 2-201(f)) allows a .5 percent credit against the state income tax for investments in qualified property which is placed in service in an enterprise zone. This credit is in addition to the existing .5 percent investment tax credit allowed statewide against the corporate personal property replacement tax.

Who are qualifying taxpayers? The credit may be taken by corporations, trusts, estates, individuals, partners, and Subchapter S shareholders who make investments in qualified property and who otherwise meet the terms and conditions established by statute.

What is qualified property? "Qualified property" is property which:

- o is tangible; whether new or used, including buildings and structural components of buildings;
- o is acquired by purchase as defined in Internal Revenue Code (IRC) Section 179(d);
- o is depreciable pursuant to IRC Section 167;
- o has a useful life of four or more years as of the date placed in service in an enterprise zone;
- o is used in the enterprise zone by that taxpayer;
- o has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit; and,
- o is an improvement or addition made on or after the date the zone was designated to the extent that the improvement or addition is of a capital nature, which increases the adjusted basis of the property previously placed in service in an enterprise zone and otherwise meets the requirements of qualified property.

What are examples of "qualified property"? Examples include buildings, structural components of buildings, elevators, materials tanks, boilers, and major computer installations. Examples of non-qualifying property are land, inventories, small personal computers, trademarks, typewriters, and other small, non-depreciable, or intangible assets.

What does "placed in service" mean? Qualified property is "placed in service" on the earlier of 1) the date the property is placed in a condition of readiness and availability for use, or 2) the date on which the depreciation period of that property begins. To qualify for the enterprise zone investment tax credit, the property must be placed in service on or after the date the zone is certified by the Department of Commerce and Community Affairs, and on or before the last day of the firm's taxable year.

What is "depreciable" property? Property must be depreciable pursuant to Internal Revenue Code Section 167. Depreciable property is used in the taxpayer's trade or business or held for the production of income (but not inventory) which is subject to wear and tear, exhaustion or obsolescence.

There are some types of assets that may not be depreciable, even though they are used in the taxpayer's business or trade or are held for the production of income. Good will and land are examples. Other examples of tangible property which are not depreciable are inventories, natural resources and currency.

Does "used" property qualify for the enterprise zone investment tax credit? Used property does not qualify if it was previously used in Illinois in such a manner and by such a person as would qualify for either the statewide investment tax credit or the enterprise zone investment tax credit.

Example. A corporation purchases a used pick-up truck for use in its manufacturing business in an enterprise zone from an Illinois resident who used the truck for personal purposes in Illinois. If the truck meets the other requirements for the investment tax credit, it will not be disqualified because it was previously used in Illinois for a purpose which did not qualify for the credit. However, had the corporation purchased the truck from an Illinois taxpayer in whose hands the truck qualified for the credit, the truck would not be qualified for the investment tax credit, even though the party from whom the truck was acquired had never received an investment tax credit for it.

What is the "basis" value of property? The "basis" value of property, for the purposes of this credit, is defined the same way it is defined for purposes of federal depreciation calculations. Essentially, the basis is the cost of the property, as well as related capital costs.

Does the enterprise zone investment tax credit carry forward? Yes. For tax years ending on or after December 31, 1985, the credit is allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, the excess may be carried forward and applied to the tax liability of the five taxable years following the excess credit year. The credit must be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time is applied first.

SALES TAX DEDUCTION

What is the sales tax deduction? The "Retailers' Occupation Tax Act" (Ill. Rev. Stat. 1987, ch. 120, Par. 444k) provides that: "Each retailer whose place of business is within a county or municipality which has established an enterprise zone pursuant to the "Illinois Enterprise Zone Act" and who makes a sale of building materials to be incorporated into real estate in such enterprise zone by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by this Act and any tax imposed pursuant to the "Municipal Retailers' Occupation Tax Act" or the "County Retailers' Occupation Tax Act".

The deduction described in this Section is authorized only if the county or municipality which created the enterprise zone has adopted an ordinance authorizing this deduction for the purposes of its tax imposed under the authority of the "County Retailers' Occupation Tax Act" or the "Municipal Retailers' Occupation Tax Act" or has an ordinance in force on the effective date of this amendatory Act authorizing claims for credit or refund of its tax imposed under the authority of these Acts based on the sale of such building materials."

What is the retailer's role? A retailer who is located within the municipality or unincorporated area of a county which has an established enterprise zone and who makes a sale of building materials to be incorporated into that enterprise zone may offer a point of sale exemption of state and local sales tax and deduct the receipts from those sales on the retailer's sales tax return. The retailer does not charge state and local sales tax on these sales.

Who is an eligible retailer? Any retailer whose place of business is within the corporate limits of the municipality or within the unincorporated area of the county that authorized the enterprise zone is eligible to deduct receipts from such sales when calculating the tax imposed by either the "County Retailers' Occupation Tax Act" (CROT) or the "Municipal Retailers' Occupation Tax Act" (MROT).

How does the enterprise zone sales tax deduction effect the Regional Transit Authority Retailers' Occupation Tax (RTA ROT), the Metro-East ROT, the County Water Commission Tax and the County Supplemental Tax? Once the gross receipts from sales of building materials are excluded from the Illinois Retailers' Occupation Tax base by virtue of a municipal or county ordinance exempting building materials sales from MROT or CROT, these receipts are also excluded from the RTA ROT base, the County Water Commission Tax base and the County Supplemental Tax base. The Metro-East ROT must still be collected by the retailer.

If a county with an enterprise zone and a County Supplemental Tax adopts an ordinance relinquishing its CROT on sales of enterprise zone building materials, are gross receipts from sales of such building materials excluded for all eligible retailers in the county when calculating the County Supplemental Tax or only for retailers located in the unincorporated areas of the county? Both retailers in the unincorporated area of the county and retailers within a municipality would be authorized to exempt the County Supplemental Tax as long as the county or municipality where the retailer is located has passed an ordinance exempting their local tax on enterprise zone building material sales.

What is the purchaser's role? The purchaser must: 1) give the retailer a signed Purchaser's Statement providing the address of the property located within the enterprise zone and attesting that the materials purchased will be incorporated into that property only; and, 2) provide the retailer a building permit that bears an enterprise zone stamp or seal and/or a sales tax certificate.

Do all retailers offer a point of sale exemption? No. Retailers are not required by law to participate. The purchaser must ask the retailer for cooperation on this incentive. Retailers have, however, demonstrated good cooperation throughout the history of this program, as this incentive permits them to give customers a "break" without cost to themselves.

What qualifies as "building materials" eligible for the sales tax deduction?

Building materials that are eligible for the enterprise zone sales tax deduction include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper and similar affixed items. As a general rule of thumb; if the property should change ownership, any building materials that would remain with the property rather than transfer with the owner would qualify for the deduction.

EZ MACHINERY AND EQUIPMENT SALES TAX EXEMPTION

What is the EZ Manufacturing Machinery and Equipment (M, M & E) Sales Tax Exemption? The Revenue Act (Ill. Rev. Stat. 1987, ch. 120, pars. 440d-440f) allows a business enterprise that is certified by DCCA, as making an investment that either: creates a minimum of 200 full-time equivalent jobs in Illinois; retains a minimum of 2,000 full-time jobs in Illinois; or, invests a minimum of \$40 million, a 5% state sales tax exemption on all tangible personal property which is used or consumed within an enterprise zone in the process of manufacturing or assembly of tangible personal property for wholesale or retail sale or lease. This exemption includes repair and replacement parts for machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, and equipment, manufacturing fuels, material and supplies for the maintenance, repair or operation of manufacturing, or assembling machinery or equipment. A similar 1% local exemption is also available.

How does a business become eligible for the M, M & E Sales Tax Exemption? To be eligible for this incentive, DCCA must certify that the business has made an investment of at least \$5 million in an enterprise zone and has created a minimum of 200 full-time equivalent jobs in Illinois or makes an investment of at least \$40 million in an enterprise zone and has retained a minimum of 2,000 full-time jobs in Illinois. A business must submit an application to DCCA documenting the eligible investment and that the job creation or job retention criteria will be met.

What is an eligible investment? For purposes of this incentive, eligible investment may be either: 1) investments in qualified property as defined in the Enterprise Zone Investment Tax Credit (described on Page 2 of this publication); or, b) non-capital and non-routine investments and associated service costs made for the basic construction, renovation or improvement of qualified property including productive capacity, efficiency, product quality or competitive position. Regular maintenance and routine expenditures are not included.

Are eligible sales limited to the unit(s) of government sponsoring the zone?

No. Items eligible for the 5% state sales tax exemption may be purchased anywhere in Illinois. Any local government can pass an ordinance authorizing exemption of the local sales tax if they determine the business is eligible.

What tangible personal property is eligible for the M, M & E sales tax exemption?

To be eligible for this exemption the tangible personal property must be directly used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease. Examples of this include: repair and replacement parts; hand tools; materials and supplies such as abrasives, acids or lubricants; protective clothing and safety equipment; and, any fuel used for machinery and equipment.

NOTE: The above examples are only exempt to the extent they are used with machinery and equipment that qualifies for the statewide Manufacturing Machinery and Equipment Sales Tax Exemption.

UTILITY TAX EXEMPTION

What is the Utility Tax Exemption? The Public Utilities Act (Ill. Rev. Stat. 1987, ch. 111 2/3, par. 9-222.1) allows a business enterprise that is certified by DCCA, as making an investment in a zone that either creates a minimum of 200 full-time equivalent jobs in Illinois or retains a minimum of 1,000 full-time jobs in Illinois, a 5% state tax exemption on gas, electricity and the Illinois Commerce Commission .1 percent administrative charge. Local units of government may also exempt their taxes on gas, electricity and water.

How does a business become eligible for the Utility Tax Exemption? To be eligible for this incentive, DCCA must certify that the business makes an investment of at least \$5 million in an enterprise zone and has created a minimum of 200 full-time equivalent jobs in Illinois or makes an investment of at least \$20 million in an enterprise zone and has retained a minimum of 1,000 full-time jobs in Illinois. A business must submit an application to DCCA documenting the eligible investment and that the job creation or job retention criteria has been met.

What is an eligible investment? For purposes of this incentive eligible investment may be either: 1) investments in qualified property as defined in the Enterprise Zone Investment Tax Credit (described on Page 2 of this publication); or, b) non-capital and non-routine investments and associated service costs made for the basic construction, renovation or improvement of qualified property including productive capacity, efficiency, product quality or competitive position. Regular maintenance and routine expenditures are not included.

JOBS TAX CREDIT

What is the enterprise zone jobs tax credit? The enterprise zone jobs tax credit (Ill. Rev. Stat. 1987, ch. 120, par. 2-201(g)) offers employers a tax credit on their Illinois income taxes for hiring individuals who are certified as economically disadvantaged or as dislocated workers. The credit is available for eligible employees hired on or after January 1, 1986.

How much is the tax credit? An employer who conducts a trade or business in an enterprise zone is allowed a credit of \$500 per eligible employee hired to work in a zone during the taxable year. Any unused portion of the credit may be carried forward five years. The credit must be applied to the earliest year for which there is a tax liability.

How do employers qualify for the jobs tax credit? To qualify for the credit: a minimum of five eligible employees must be hired in a zone during the taxable year; and, the taxpayer's total employees must increase by five beyond the total employed in the zone at the end of the previous tax year for which a jobs tax credit was taken, or beyond the total employed as of December 31, 1985, whichever is later.

What individuals qualify as eligible employees for the Jobs Tax Credit? An employee must be: 1) certified by a Dislocated Worker Center (DWC) or Service Delivery Area Administrative Entity (SDA) as "eligible for services" under Titles II or III of the Job Training Partnership Act (JTPA); 2) employed in an enterprise zone where the employee either works in the zone or the zone is the base of operations for the services performed; and, 3) employed at least 180 consecutive days for 30 or more hours per week.

How do employees obtain jobs tax credit eligible individuals? An employer should list job openings with the local DWC or SDA, note that the business is within an enterprise zone, and specify that the business seeks to hire workers certified as eligible for services under Titles II or III of JTPA. If employers have job applicants who have not been referred by the DWC or SDA, they can offer to determine if they are eligible. Eligible individuals will be issued a Jobs Tax Credit Certification Voucher to present to prospective employers. When a person is hired, the employer keeps the voucher for tax records. That is all the paperwork required.

PROPERTY TAX INCENTIVES

There are two types of property tax incentives related to the Enterprise Zone program: tax abatement and assessment reduction. Assessment reduction is available in Cook County only.

What is the enterprise zone property tax abatement incentive? The Revenue Act (Ill. Rev. Stat., ch. 120, par. 643(e) provides that any taxing district may order the county clerk to abate (that is, to give up) any portion of its taxes on real property, or on any particular class thereof, located within a zone and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated.

Are taxes reduced on the current value of the property (or on existing improvements)? No. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation, or rehabilitation. Taxes based on the assessed value of land and existing improvements continue to be extended and collected.

If property tax abatement is authorized, are new improvements made to property located within a zone assessed? Yes. By law, every time property is improved, it is reassessed.

What is the Cook County assessment reduction incentive? Cook County offers special property tax incentives for property anywhere in the County. However, property in enterprise zones receive special consideration under the Class 6b-Industrial program. Industrial property in Cook County is generally assessed at 38% of market value. Under the special incentives, improvements to enterprise zone property are assessed at 16% of market value for 8 years, and at 30% of market value for four years after that. The tax rate remains the same, but a company's tax liability drops because the rate is being multiplied by a much smaller property value. This program also applies to the purchase of existing buildings in enterprise zones, provided that the buildings have been vacant for 24 continuous months.

Why is this available only in Cook County? All other counties assess all property at 33% of market value. Cook is the only county that classifies property at different assessment rates.

What is the process for obtaining these incentives? For tax abatement, contact local zone administrators to find out if abatements are available in their zone. Most of the property tax abatements and the Cook County program require taxpayers to apply or give some formal notice before beginning construction. Contact the local zone administrator, and, if applicable, Cook County as early as possible to assure that eligibility is not denied due to tardy notice.

How do these incentives affect the multiplier? They don't. The multiplier or equalization factor is the application of a percentage increase or decrease, generated by the Illinois Department of Revenue, in order to adjust assessment levels in various counties to the same percentage of full value. Multipliers are not effected by the enterprise zone property tax abatement provision or by county assessment reductions.

Does the abatement of taxes on improvements in an enterprise zone affect the tax rate? Theoretically yes, but in most instances abatements will have little affect on the final tax rates. Tax rates depend on the levy (amount of tax revenue the local government is raising) and the size of the tax base (total equalized assessed valuation of the district less homestead exemptions, plus the value of any State assessed property). The tax rate for a district is calculated by dividing the district's tax levy by its tax base. The greater the tax base, the lower the rate needed to generate the amount of the levy. A decreased base resulting from the deduction of exemptions, for example, can result in an increased rate.

New construction, renovation or rehabilitation of real property located within a zone increases the equalized assessed valuation and may, theoretically, result in a lower tax rate. The amount of money raised from the property tax may not equal the tax levy if: the taxing district is at its maximum tax rate; and, very large amounts of abatements have been granted in proportion to the total assessed value of the district.

How does the enterprise zone property tax abatement provision in Sec. 162e of the Revenue Act differ from the property tax provision in Sec. 162? The enterprise zone provision is broader and more flexible. The enterprise zone property tax abatement:

- may be offered on all classes of real property, including commercial, residential and industrial.
- may be offered for any number of years, up to the termination date of zone certification.
- may be offered by a taxing district in any amount (the abatement offered under Sec. 162 limits the aggregated amounts of an abatement offered by all taxing districts to \$1,000,000).

Can property tax be abated in a tax increment financing district? No. According to Sec. 162e of the Revenue Act, property tax abatement cannot be offered in a tax increment financing district. Tax increment financing is a financing technique that cities may use to pay for public improvements such as land assemblage, building demolition, utilities, streets, and sidewalks. Property owners in the project area do pay their full share of taxes. Taxes generated by the increase in assessed valuation -- the tax increment -- go into a special allocation fund used to pay the bonds which financed the public improvement costs. This financing method is not a tool to speculatively prepare for development -- tax increment financing requires an advance commitment by a developer to a project.

Property tax abatement is, however, a tool that is used for development. It is not a financing technique. The Revenue Act provides that any taxing district, upon a majority vote of its governing authority, may order the county clerk to abate any portion of its taxes on improvements made to real property located in a zone. The increase in assessed valuation due to new construction, rehabilitation or renovation is not taxed for the term of the abatement as set by local ordinance.

Property tax abatement cannot be offered in a TIF district. A TIF district may be included, in the legal description of zone and consequently be eligible to receive other tax incentives and benefits, but the property tax abatement provision must exclude the TIF district from the area eligible for abatement.

Am I automatically entitled to a 100% abatement? No. Eligibility criteria and abatement formulas are established by local ordinance and vary with the zone. Contact the zone administrator to determine the amount of abatement offered, the number of years of abatement, and the classes of real property eligible for abatement.

INCOME TAX DEDUCTION FOR FINANCIAL INSTITUTIONS

Financial institutions in Illinois, such as banks and savings and loans, are eligible for a special deduction from their Illinois corporate income tax return. Such institutions may deduct from their taxable income an amount equal to the interest received from a loan for development in an enterprise zone. This is limited to the interest earned on loans or portions of loans secured by property which is eligible for the enterprise zone investment tax credit, described on Page 2 of this publication. Please refer to the section on the investment tax credit for a definition of eligible property.

DIVIDEND DEDUCTION

What is the dividend deduction? The Illinois Income Tax Act provides that taxpayers may deduct from their taxable income an amount equal to those dividends which were paid to them by a corporation which conducts substantially all of its operations in an enterprise zone or zones.

Can dividends from companies like Commonwealth Edison be deducted? No. The firm must conduct substantially all of its operations within a zone or zones, and firms with locations throughout the state (such as Commonwealth Edison, GTE, Pioneer, AT&T, Sears, Occidental Petroleum, etc.) do not fit this definition.

Who is an eligible taxpayer? Individuals, corporations, partnerships, trusts, and estates are eligible to take the dividend deduction on their Illinois income tax returns.

Which dividends may be subtracted? Only dividends paid on or after the date of zone certification or before the last day of your taxable year may be deducted.

Is there a list of companies doing substantially all their business in enterprise zones? No. Corporations must be contacted directly to verify their eligibility.

CORPORATE CONTRIBUTION DEDUCTION

What is the corporate contribution deduction? Corporations may make donations to Designated Zone Organizations for projects approved by the Illinois Department of Commerce and Community Affairs, and claim an income tax deduction at double the value of the contribution, to the extent that 1) the contribution qualifies as a charitable contribution under Section 170, Subsection (c) of the Internal Revenue Code; and 2) the Department approves the amount and type of contribution which may be claimed as a deduction.

What is a designated zone organization? Only an organization that meets the eligibility criteria set forth in the Enterprise Zone Act, including approval from the local government and the Illinois Department of Commerce and Community Affairs, is a designated zone organization. For a list of these groups, contact local zone administrators or call the Department at 217-785-6142.

Who is an eligible taxpayer? Only corporations may deduct twice the amount of a cash or in-kind contribution made to a designated zone organization project.

What is an approved contribution? In order to deduct twice the amount of a contribution, the contribution must be approved by the Illinois Department of Commerce and Community Affairs and must be made to an approved designated zone organization.

TAX INCENTIVE ADMINISTRATION

Are tax incentives and other benefits offered on a case-by-case basis? No. "Case-by-Case" is contrary to the intent of the Enterprise Zone Act. Tax incentives must be offered uniformly and equitably by class. The local ordinance authorizing tax incentives, such as property tax abatement, extend the incentives automatically through eligibility criteria, such as class of property (i.e., residential, commercial and industrial) and formulas (i.e., percentages and number of years available).

ADDITIONAL INFORMATION

What other incentives are available? Please refer to the Enterprise Zone Brochure for specific descriptions of state and local incentives in any particular zone. These incentives may include financing assistance, write-down of land costs, waiver of building fees, relaxation of local codes, and other benefits.

Where can income tax forms be obtained? Income tax forms are available from the Illinois Department of Revenue (DOR) at P.O. Box 3545, Springfield, Illinois 62708, or at 100 West Randolph, Chicago, Illinois 60601. The Chicago location also has a walk-in taxpayers' assistance center on the lower level concourse. DOR's toll free number is 1-800-732-8866.

W H I T E P A P E R

C L A S S I F I C A T I O N R E V I E W S T U D Y

P U R P O S E

The purpose of this paper is to provide the Board of Trustees with an overview and update status of the Classification Review currently on-going with the members of the classified staff. Dr. Behrendt directed the coordinator of personnel services to review and revise current job descriptions and determine if a "new" grading scale is required. The milestone schedule for the review is at enclosure 1.

I N T R O D U C T I O N

In the late 1970s, the College administration determined that a clearly defined and well delineated salary grade structure was needed for the classified staff. Hayes Hill Incorporated was contracted to design a salary grade system for each full-time job description. In 1982, the system was completed and in place at the College. Although somewhat outdated, the system is still operating at the College.

In the NCA Self-Study Report, 1991, the classified staff expressed concern about the position classification system. "The concern seems to stem both from a lack of understanding of how the system works, and its philosophy. There is no "promotion" built into the system except by applying for an open job in another grade, and this is of concern to the classified staff as well."¹ "The new coordinator of personnel services will review the classified grading system during FY 1992, and make recommendations for updating it, if necessary. The coordinator will also make provision to promote a clear understanding among the classified staff of how classification and placement in the system works."²

H I S T O R I C A L O V E R V I E W O F S A L A R Y S Y S T E M S

Historically, managements have been able to set up their pay structures primarily on the basis of principles they considered important. The question "What are other employers paying?" was important, but often only of secondary importance.

There was, beginning in the late 60s or early 70s, a lot of talk about "today's employee," or the "new breed" of employee. In the 80's, we were aware that the nation's workforce had changed but was not adequately described by such labels as "new breed".

¹Self-Study Report, 1991, Sauk Valley Community College, Dixon, Illinois, page 30.

²Self-Study Report, page 30.

In the 1980s, that labor had changed due to the introduction of inflation as it related to pay. Management was under continuing pressure to pay what others are paying. In addition, the workforce had become better educated and more mobile. An employee dissatisfied with his or her pay can move to another city or state far more easily than could the employee of the 1930s or the 1950s.

What is the fundamental change taking place today in the American workforce? It is, in a word, the breaking apart of homogeneous groups in the population. Before World War II, it was true for many employers that the "workforce" consisted of white male heads of households. Under that thinking, virtually all compensation and benefit packages were arranged to serve the white male head of household - to say nothing of opportunities and advancement.

The general state of affairs lasted through the 50s and into the 60s. Then a number of things began to happen. The educational level of all employees began to rise more rapidly. Minorities demanded greater opportunity, and Congress responded by passing the Civil Rights Act of 1964. In 1963, Congress passed the Equal Pay Act. This required employers to pay men and women equally when they do "equal work on jobs (that require) equal skill, effort, and responsibility, and which are performed under similar working conditions." The Equal Pay Act goes on to list four justifications for paying sexes unequally: (1) A man or woman may be paid more than someone doing equal work if a seniority system calls for higher pay; (2) The pay for equal work may be different if a merit system calls for a difference in pay; (3) Pay may be different if the difference is called for by "a system which measures earnings by quantity and quality of production"; and finally (4) the pay for equal work may be unequal if dictated by "any other factor other than sex." By 1970, it was clear that the homogeneity that had been a comfortable assumption for so many decades had begun to break down. Minority members began to work in more and more kinds of jobs; women and men began to do more of the same kinds of work; and more highly educated individuals - whether they worked as clerks or professionals - began to insist on more freedom to express their individuality, and often with greater responsibility than management had intended to grant.

By 1980, this breakdown of large population groups - accompanied by a breakdown in traditional stereotypes - had taken hold to the point where employers found that they had little choice but to respond. Essentially, what management was faced with was responding to individual and small group needs and demands. A woman on the payroll might be a head of household who needs a fair cash income, insurance coverage, and some freedom to come and go to take care of personal affairs. Or she may be a married woman working for a variety of reasons. She might be an older American who has yet another set of needs and reasons for working.

The trend toward fragmentation of the workforce is a trend accompanied by other great historical trends - trends that seemingly will merge to make

change manageable. The computer, whose rise came in the 60s and 70s, makes it possible today for management to keep track of individuals, even in a workforce of thousands. It is no longer administratively impossible to make payroll deductions to suit the individual.

There was also a change in our understanding of how to manage people. Where "Personnel" theory grew largely out of the industrial era and might be described as a kind of "crowd psychology", human resources thinking starts with the individual. It is the individual employee and the many things he or she can offer to management that is the cornerstone of human resources management.

In 1990, Congress approved the **Americans with Disabilities Act (ADA)**, and immediately it was hailed as landmark legislation that would help to end discrimination against individuals with disabilities and bring these individuals into the economic and social mainstream of American life. Some 43 million Americans have one or more physical or mental disabilities. The predominant disabilities are visual, hearing, and mobility-related. Disability means a physical or mental impairment that substantially limits one or more of the major life functions of the individual. The legislation has four major titles: Employment, Public Services (e.g., public transportation), Telecommunications, and Public Accommodations and Services Operated by Private Entities. The Act will have an immediate impact on the position description revisions. It will be necessary to identify "Essential Functions" requirements for each position.

DESIGNING THE PLAN

Designing an organization's pay structure can be complex with numerous comparisons to make; however, it may help to focus on two primary goals of any effective pay system:

1. The pay for each job must be high enough to bring in new recruits and high enough to keep experienced employees. Usually, this means setting up a pay range for each job by making external comparisons-comparisons with other employers and with area and industry averages.
2. The pay for each job must be pegged fairly and accurately to the effort, skill or contribution that job involves. Employees within the organization must feel they are being paid fairly compared to others within the organization, or dissatisfaction is likely to develop and interfere with productivity and long-term employee relations.

In designing a pay program, the employer must decide-for any given job-what characteristics in an individual employee they are going to pay for. They must also decide what characteristics about any given job may require extraordinary pay treatment. These two types of characteristics are called "

compensable factors." The Equal Pay Act of 1963 makes it unlawful for employers to pay an employee of one sex more than an employee of the other in the same place of business for equal work on jobs that require equal skill, effort, and responsibility, and that are performed under similar working conditions. Courts have interpreted "equal work" to mean substantially equal work.

This means that a pay program should indicate that....

- skill
- effort,
- responsibility, and
- working conditions that must be endured,

are the basic categories of compensable factors that the employer pays for. This will get the pay program on track to ensure that it meets the goal of compliance with governmental regulations relating to employee compensation.

The terms *skill, effort, responsibility* and *working conditions* are broad compensable factor categories. The categories are further defined as follows:

- **Skill** - includes such things as experience, training, education and ability.
- **Effort** - involves the measurement of the physical and mental effort required to do a job.
- **Responsibility** - refers to such things as how much independent judgment must be exercised by the person doing the job, how much decision making is involved in the job, the consequences of an error by the person performing the job and the number of people that report to the person holding the job.
- **Working Conditions** - refers to such things as dangers regularly encountered on the job, the seriousness of the injuries they can cause and the levels of general unpleasantness that must be endured while on the job.

JOB ANALYSIS

Closely related to the task of determining "compensable factors" is the task of "job analysis". Basically job analysis involves gathering information about jobs. Job analysis will provide the employer with the necessary information necessary to write job descriptions, from which they will be able to engage in job evaluation, the process by which the relative worth of each job in the college is determined.

Having employees fill out questionnaires about their jobs, observing employees work, conducting time and motion studies, and looking at current job

descriptions are some of the things companies will do to gather information about jobs.

In addition to revising the job description, new Federal legislation requires that all job descriptions accurately reflect minimum requirements for performing the tasks of the position. The Americans with Disabilities Act (ADA) mandates that an 'Essential Functions' category be prepared for each position. The purpose of desk-side audit was to collect the needed data for each position.

JOB DESCRIPTIONS

After completing the process of job analysis, the next step in developing a pay program is to use the information gathered in job analysis to write job descriptions. The information about a job that should be contained in a job description includes the job's major duties and responsibilities, the working conditions under which the job is performed, and the skills, abilities and knowledge required to do the job.

College staff are in the process of compiling information concerning changes in their old (1981) job descriptions through the "Desk-side Audit Packet." The Desk-side audit information was due on February 15, 1993 from all full-time classified staff members.

SURVEY DATA COLLECTION

It is impossible to put together a good wage and salary administration program without utilizing wage and salary survey data. One of the basic goals is to give employees the perception that they are being paid equitably and fairly. This means that employees should feel that they are paid fairly in relation to other employees in the college, and they should feel that they are being paid fairly in relation to people working in similar positions.

Without wage and salary survey data it is impossible to construct a pay program that is sensitive to the need for people to feel that they are being paid fairly in relation to those who work for other colleges. This is because without wage and salary survey data there is no accurate way to determine what other colleges and local area merchants are paying their employees.

In January 1993, the Classification Review Committee (members of the staff, faculty and administration) approved of the salary survey to be sent to colleges in northern Illinois. The survey was sent to 15 colleges in northern Illinois on February 15, 1993, with a date of response no later than March 15, 1993.

PLACING JOBS IN GROUPS AND GRADES

Once the current market rates for the benchmark jobs have been determined through the salary survey, the next step is to establish pay structures consisting of various pay grades. This process was accomplished by Hayes-Hill in 1982, but will be examined again with regards to revisions of out-dated job descriptions. This will be the bulk of the work once the desk-side audits are complete and the survey data has been analyzed.

SUMMARY

Once the revision is complete it will be necessary to present the plan to the president and the Board of Trustees. If approved as presented or modified, the plan should be complete by July 1, 1993. The approved plan can be communicated to the employees. A two-presentation will be scheduled for all classified staff providing the entire step by step process of the classification review and the results approved by the Board. Finally, procedures will be established for any employee or supervisor who feels that their job description has changed enough to warrant a desk-side audit so that they will be afforded that opportunity.

Classification Review for Classified Staff
MILESTONE SCHEDULE

10 Sep 92	Presented Classification Review Milestone schedule to Dr. Behrendt and Ron Appuhn for approval
Sep 92	Establish a Classification Review Committee ¹
Oct - Nov 92	Redefine the Job Description methodology <ul style="list-style-type: none">• Review current method• Establish baseline• Revise and update as necessary
Nov 92	<ul style="list-style-type: none">• Provide half-a-day workshop to all Classified staff• Begin individual desk audits for each staff position
Oct 15	In-process Review (IPR)²
Oct 92- Dec 92	Examine methods for applying job descriptions to the salary grade system
15 Nov 92	In-Process Review
Nov - Dec 92	Conduct Salary survey <ul style="list-style-type: none">• conduct analysis of current job descriptions• revise as necessary• present revision as a budget item
15 Dec 92	In-Process Review
Jan - Mar	Establish the following: <ul style="list-style-type: none">• a procedure for periodic salary review• procedures for review of job descriptions on an as needed basis.• criteria for entrance level salaries for new / vacant positions.• parameters & guidelines for classified other category• Define Americans with Disabilities (ADA) criteria for each job description.

¹The Classification Review Committee will be composed of 6 staff members (maintenance, clerical, other), 1 faculty member, and 1 administrator. Coordinator of Personnel Services will be the facilitator; Members of the Staff Advisory Committee may serve on this committee.

² The IPR is a formal meeting by the Classification Review Committee designed to discuss issues and problems that require further resolution. Any employee may attend the meeting and listen to the discussions/ presentations.

15 Jan 93	In-process Review (IPR)
Jan - Feb	Provide status update to Board of Trustees (Board Retreat)
15 Feb93	In-process Review (IPR)
15 Mar 93	In-process Review (IPR)
Apr - May 93	Decision Brief to the President/ Council
15 Apr 93	In-process Review (IPR)
15 May 93	In-process Review (IPR)
Jun 93	Decision Brief to the Board of Trustees
July 1, 1993	Implement new salary schedule

Prepared: Curt Devan, Coordinator of Personnel Services, 09/08/92

SAUK VALLEY COMMUNITY COLLEGE
Dixon, Illinois

January 22, 1993

VICE PRESIDENT OF INSTRUCTIONAL SERVICES

Sauk Valley is an outstanding public community college located on a beautiful 160 acre campus on the Rock River and serves a six county district in Northwestern Illinois with a population of 100,000. Enrollment is approximately 3,500 full- and part-time credit and about 5,000 non-credit students in more than 50 degree and certificate programs. The college is in its 27th year of operation and is currently seeking exceptional applicants to fill the vacancy being created by the August, 1993 retirement of its current Vice President of Instructional Services. The college has a quality faculty dedicated to academic excellence and seeks a Vice President of Instructional Services who will cultivate that excellence.

RESPONSIBILITIES: The Vice President of Instructional Services reports directly to the president and, as the chief academic officer, is responsible for all instructional programs (credit and non-credit, on and off-campus) and related activities including the LRC, Learning Assistance Center, business/industry training and economic development. Specific responsibilities include development, supervision, and evaluation of the instructional program; faculty recruitment, development and evaluation; articulation with four-year colleges and universities; planning; budget preparation/monitoring; and general academic management. Three deans and three directors are the staff for the Office of Instruction.

QUALIFICATIONS: Sauk Valley is seeking a results-oriented team player who is an outstanding academic leader. Requirements include: an earned doctorate; an understanding of and commitment to the community college philosophy; 3-5 years successful full-time college teaching experience (preferably at a community college); 3-5 years successful line instructional administrative experience at the divisional or higher level (preferably at a community college); a demonstrated capacity to provide vigorous, creative, and effective instructional leadership; and evidence of the ability to communicate and work cooperatively with faculty, students, administrators, and community organizations. Desirable experiences/qualifications include developing assessment plans, Illinois community college academic leadership, collective bargaining, computer literacy, and strategic planning.

COMPENSATION: Vice President salary range is \$50-75,000 (1992-93); likely starting point in the \$60's (augmented by a liberal fringe benefit package, including employee and family college-paid insurance, leaves, and no FICA deduction).

APPLICATION: Please include a resume' which demonstrates the above qualifications/competencies and the names and telephone numbers of at least three professional references and submit them to:

Ms. Judy Scribner, Secretary
Vice President Search Committee
Sauk Valley Community College
173 Illinois Route #2
Dixon, IL 61021

This position will be available on August 15, 1993; the college will begin a review of candidates' materials in late February and March and will continue to do so until an appointment is made. An affirmative action EOE.



**SAUK VALLEY
COMMUNITY
COLLEGE**

173 IL Rt. 2, Dixon, IL 61021 • 815/288-5511

MEMORANDUM

TO: Ross Dill, Heath Gieson, Leona Grossman, Zollie Hall, Dick Holtam, Rosemary Johnson, Karen Pinter, Mike Seguin, Judy Scribner, Steve Shaff, Bob Thomas, Kay Turk, John Wardell, Peg White

FROM: Tom Gospodarczyk, Committee Chair

DATE: February 23, 1993 *Tom G.*

RE: Vice President Search Committee

Thank you for agreeing to serve on the Vice President Search Committee. I am looking forward to working with everyone on the committee, and becoming better acquainted with those of you with whom I have not had much previous contact.

My purpose today is to invite you to the committee's first meeting, and share the tentative timelines for our work. If all goes well, we should finish our work around the end of the present semester.

FIRST MEETING. Our first meeting is scheduled for Monday, March 1, beginning at 3:30 in the Boardroom. Please notify either Judy Scribner, Committee Secretary, or me, if you are unable to attend.

TENTATIVE TIMELINES. The timeline for our work is as follows...

MARCH 1: First meeting: Overview of applicants; Review rating scale; Schedule our next meeting.

INTERIM WORK: Individually evaluate candidate applications.

MID-MARCH: Second meeting: Review candidate ratings; Select the top 4 to 6 candidates; Make contacting assignments.

INTERIM WORK: Contact top candidates by telephone. Conduct reference checks.

EARLY APRIL: Third meeting: Discuss results of the reference checks; Select the top 1 - 3 candidates; Plan for interviews.

MID- TO LATE-APRIL: Conduct interviews with candidates.

LATE-APRIL/EARLY MAY: Possible campus visit(s); Agree upon top candidate; Make tentative job offer.

MAY BOARD MEETING: Make hiring recommendation to the Board.

STAFF INPUT. Since the Search Committee was formed to include all of the instructional areas, please do not hesitate to obtain additional input from your colleagues.

CC ALL STAFF

**SAUK VALLEY COMMUNITY COLLEGE
INSTRUCTIONAL SERVICES**

MEMORANDUM

DATE: February 23, 1993

TO: Dr. Behrendt

FROM: John Sagmoen and Virginia Thompson *df*

SUBJECT: Staffing Recommendations for FY 94

1. No full-time replacement is requested at this time to fill the position being vacated by Ron Hartje. For FY 94, the classes currently assigned to Ron Hartje will be covered by reassignment to Dennis Day, the OAS lab, part-time instructors and schedule adjustments.
2. Convert Russ Damhoff's position from half-time to full-time to assume the duties of athletic director and some of the teaching assignments currently the responsibility of Frank Palumbo.
3. Add a half-time Learning Specialist who is certified in learning disabilities to assist the college in providing appropriate accommodations for students with disabilities and to provide staff development for faculty.

The financial savings, based on current salaries, would be approximately \$56,000 in salaries and \$5,000 in benefits.

	<u>Current</u>	<u>Proposed</u>
Hartje	46,750	---
Palumbo	44,784	---
Damhoff	15,702	31,404
Learning Specialist	---	15,000
Additional part-time	---	5,000
	\$107,236	\$ 51,404

js

MISSION STATEMENT ELEMENTS

1. Brief history
2. Educational philosophy - purpose of education
3. Intended clientele
4. Access - admissions policy, tuition, facilities
5. Specific purposes
 - Educational
 - Student services
 - Other (such as economic development)
 - Learning support (such as LAC, LRC)
 - Role in the community



**Sauk Valley
Community
College**

173 IL Rt 2 • Dixon, IL 61021 • 815/288-5511

MEMORANDUM

TO: Board of Trustees

FROM: Student Government: Heath J. Gieson, Chad Lich, Jack Squires, Jilline Dodge, James Nelson, Dan Dugal, Janelle Hartzelle, Roger Clymer, John Napolitano, John McNeill, Mary Hurley, Brett Long, Chad Heckman, Shad White, Tracy Novak, Peter Bramm, Missy Wagner.

DATE: February 24, 1993

REASON: Possible tuition increase

At the February 17 Student Government meeting President Behrendt spoke of a possible tuition increase for the 1993-94 fiscal year. The Student Government has discussed this issue and have come to a consensus:

- The Board should take the students' concerns into consideration when making decisions about the proposed tuition increases.
- In order for the student body to support a tuition increase, we must have written justification for the allocation of the additional revenue created by the increase.
- Specifically, we want justification in terms of how a tuition increase will improve our education.