

SAUK VALLEY COMMUNITY COLLEGE BOARD OF TRUSTEES AGENDA

Third Floor Board Room

July 26, 2004 – 7:00 p.m.

A. Call to Order

B. Roll Call

C. Communications from Visitors

D. Consent Agenda

1. Approval of Minutes

2. Treasurer's Report

3. Bills Payable

4. Payrolls	June 30, 2004	\$221,165.31
	July 15, 2004	\$229,701.48

5. Budget Report

6. Board Policy Revision

7. Working Cash Fund Borrowing

8. Working Cash Fund Interest

9. Disposal of Obsolete Equipment

E. President's Report

1. Board Policies Review – 624.01, 625.01, 626.01

2. Annual Enrollment Report (attached)

3. Transfer GPA Comparisons – NIU (attached)

4. Transfer GPA Comparisons – UI (attached)

5. Annual Reports (to be distributed at the meeting)

6. Workforce Investment Board Report

7. Telephone Consultant (attached)

8. August In-Service – August 20 - 8:30 – 10:00 a.m.

F. Financial Reports and Actions

None

G. Closed Session (Collective negotiating matters, and closed session minutes consideration)

H. Closed Session Minutes

Closed Session Minutes of June 28, 2004

I. Personnel

None

J. Other

None

K. Reports

1. Student Trustee
2. ICCTA Representative
3. Foundation Liaison
4. Faculty Association
5. Board Chair
6. Board Members Comments

L. Adjournment

Board of Trustees Meetings

August 20, 2004 – 8:30 – 10:00 a.m.
(Staff In-Service)

August 23, 2004

September 23, 2004 (9:00 a.m.)
(Board Retreat)

September 27, 2004

October 6-9, 2004

ICCTA Monthly Meetings

Nothing Scheduled

September 10, 2004
Crowne Plaza Hotel, Springfield

ACCT Annual Congress
New Orleans Hilton, New Orleans

SAUK VALLEY COMMUNITY COLLEGE BOARD OF TRUSTEES AGENDA

Third Floor Board Room

June 28, 2004 - 7:00 p.m.

A. Call to Order

B. Roll Call

C. Communication from Visitors

D. Consent Agenda

1. Approval of Minutes

2. Treasurer's Report

3. Bills Payable

4. Payrolls	May 27, 2004	\$217,233.51
	June 15, 2004	\$177,604.70

5. Budget Report

6. Prevailing Wages Resolution

7. 2004 - 2005 Administrative Calendar

8. Bid Award – PHS – Roof Replacement

9. Bid Award – Computed Radiography System

10. Bid Award – Fitness Center Remodel

11. Joint Agreement Extension

12. Board Policy Revisions

E. President's Report

1. Board Policies Review – 619.01, 620.01, 621.01, 622.01, 623.01

2. Enrollment Update

3. Perkins Grant Presentation – Linley White

F. Financial Reports and Actions

1. 2004 - 2005 Tentative Budget (First Reading)

2. Funding Bonds – Issuance of Bonds and Levy of Tax

G. Closed Session (Appointment, employment, compensation, discipline, performance or dismissal of specific employees of the College, collective negotiating matters, closed session minutes review, and closed session minutes consideration)

H. Closed Session Minutes

1. Closed Session Minutes of May 24, 2004

2. Closed Session Minutes Review

I. Personnel

1. Faculty Appointment – Multi-Disciplinary Psychology
2. Faculty Appointment - Counselor
3. Administrative Salary Increase
4. Professional/Technical Salary Increase
5. Support Staff Salary Increase
6. Faculty Resignation

J. Other

None

K. Reports

1. Student Trustee
2. ICCTA Representative
3. Foundation Liaison
4. Faculty Association
5. Board Chair
6. Board Members Comments – Summer Board Retreat Date

L. Adjournment

Board of Trustees Meetings

ICCTA Monthly Meetings

July 26, 2004

Nothing Scheduled

August 23, 2004

Nothing Scheduled

September 27, 2004

September 10, 2004
Crowne Plaza Hotel, Springfield

SAUK VALLEY COMMUNITY COLLEGE BOARD OF TRUSTEES MEETING MINUTES

June 28, 2004

The Board of Trustees of Sauk Valley Community College met in regular session at 7:00 p.m. on June 28, 2004 in the third floor Board Room at Sauk Valley Community College, 173 Illinois Route #2, Dixon, Illinois.

Call to Order:

Chair Thompson called the meeting to order at 7:00 p.m. and the following members answered roll call:

Edward Andersen	William Simpson
Robert Thompson	Nancy Varga
Pennie von Bergen	Karol Teal
Wessels	

Absent:

Ed Cox	Henry Dixon
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SVCC Staff:

President Richard L. Behrendt
Attorney Ole Bly Pace III
Vice President Ruth Bittner
Vice President Joan Kerber
Director of College Relations Cal Lyons
Dean of Health and Physical Education Janet Lynch
Dean of Information Technology Alan Pfeifer
Dean of Business, Technology/Natural Science Linley White
Secretary to the Board Carmel Paulsen

Consent Agenda:

It was moved by Member Varga and seconded by Member von Bergen Wessels that Consent Agenda Item D-9 be removed from the Consent Agenda, due to changes in the item. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye. It was then moved by Member Simpson and seconded by Member Andersen that the Board approve the Consent Agenda with items D-8 and D-10 also removed. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye. Following discussion, it was then moved by Member Varga and seconded by Member Andersen that the Board approve agenda items D-8 and D-10. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

President's Report:

Dr. Behrendt reported that summer enrollment is up 5%,

and the Board listened to a presentation on the Perkins Grant by Dean Linley White. Dean White highlighted funds allocation and the required uses of those funds.

- 2004-2005 Tentative Budget
(First Reading): The tentative budget for 2004-2005 was presented for first reading, and will be available in the Business Office, the President's Office, and the Learning Resource Center on public display for at least 30 days prior to the public hearing and final action. It was moved by Member Simpson and seconded by Member Varga that the Board approve the 2004-2005 Tentative Budget for first reading. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.
- Funding Bonds -- Issuance
of Bonds and Levy of Tax: It was moved by Member Andersen and seconded by Member Varga that the Board approve the resolution providing for the issuance of \$2,195,000 General Obligation Community College Bonds, Series 2004, of Community College District #506, and the levy of a direct annual tax sufficient to pay the principal and interest on said bonds. In a roll call vote, the following was recorded: aye -- Members Andersen, Simpson, Varga, and Thompson; nay -- Member von Bergen Wessels. Motion carried. Student Trustee Teal advisory vote: aye.
- Bid Award -- Computed
Radiography System:
(Formerly Consent Agenda
Item D-9) After discussion it was moved by Member Varga and seconded by Member Andersen that the Board approve the bid from GE Healthcare of Oakbrook, IL, to purchase computed radiography equipment at a price of \$165,993.85, to be paid from funding bonds. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.
- Closed Session: At 7:43 p.m., it was moved by Member Varga and seconded by Member Andersen that the Board adjourn to closed session to discuss the appointment, employment, compensation, discipline, performance or dismissal of specific employees of the College, collective negotiating matters, closed session minutes review, and closed session minutes consideration. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.
- Regular Session: The Board returned to regular session at 8:48 p.m.
- Closed Session Minutes: It was moved by Member von Bergen Wessels and seconded by Member Varga that the Board approve the

May 24, 2004 closed session minutes. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

Closed Session Minutes
Review:

It was moved by Member Andersen and seconded by Member Varga that all closed session minutes and portions of closed session minutes which are currently closed, remain closed, except the following paragraph in the March 22, 2004, minutes be opened: 'The Board reviewed the administrative reorganization'. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

Faculty Appointment –
Multi-Disciplinary
Psychology:

This item was removed from the agenda.

Faculty Appointment –
Counselor:

It was moved by Member Simpson and seconded by Member Varga that the Board approve the appointment of Kristi Irving, of Sterling, Illinois, as Assistant Professor of Counseling, effective July 1, 2004, at a salary of \$41,004 (pending negotiation). In a roll call vote, the following was recorded: aye – Members Andersen, Simpson, Varga and Thompson. Nay – Member von Bergen Wessels. Motion carried. Student Trustee Teal advisory vote: aye.

Administrative Salary
Increase:

It was moved by Member Andersen and seconded by Member Simpson that the Board approve the salary increase of 2% for 2004-2005 for all satisfactorily-evaluated administrative staff. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

Professional/Technical
Salary Increase:

It was moved by Member Varga and seconded by Member von Bergen Wessels that the Board approve the salary increase of 2% for 2004-2005 for all satisfactorily-evaluated professional/technical staff. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

Support Staff Salary
Increase:

It was moved by Member Varga and seconded by Member Andersen that the Board approve the salary increase of 2% for 2004-2005 for all satisfactorily-evaluated support staff. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

Faculty Resignation:

It was moved by Member Varga and seconded by Member von Bergen Wessels that the Board accept the resignation of Juel Iwaasa, effective August 15, 2004. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

Reports:

Student Trustee: Member Teal attended the ICCTA Leadership Institute where she was introduced to lobbying and parliamentary procedure. She will bring copies of her material to the next Board of Trustees meeting in July.

ICCTA Representative: Chair Thompson attended the ICCTA Annual meeting. Issues covered included the future of the community college, funding and technology. He will discuss the meeting in detail during the Board retreat in September.

Foundation Liaison: Cal Lyons reported on the Foundation Board meeting on June 22, 2004; the second installment of a private endowment was received for the purpose of establishing a scholarship program for health care students; student housing is progressing with behind-the-scenes work taking place, with the possibility of a fall 2004 groundbreaking; there will be no fiesta 5K run due to a date conflict; Draw Down Dinner is scheduled for March 5, 2005; and Foundation Board Members Spencer and Simms have resigned, bringing membership to 20.

Faculty Association: no report

Board Chair: Dr. Behrendt announced his intent to retire, effective June 30, 2005. He expressed his appreciation for the Board's support during his tenure of nearly 19 years. Chair Thompson led discussion on the Board retreat date options. September 23, 2004 at 9:00 a.m. is the date set for an all-day retreat. A detailed agenda will be provided.

Adjournment:

Since the scheduled business was completed, it was moved by Member Varga and seconded by Member Teal that the Board adjourn. In a roll call vote, all voted aye. Motion carried. Student Trustee Teal advisory vote: aye.

The meeting adjourned at 9:03 p.m.

Next Meeting:

The next regular meeting of the Board will be at 7:00 pm. on July 26, 2004, in the Board Room.

Respectfully submitted:

Nancy Varga, Secretary

SAUK VALLEY COMMUNITY COLLEGE
BOARD OF TRUSTEES - TREASURER'S REPORT
As of June 30, 2004

CHECKING ACCOUNTS

INTEREST BEARING ACCOUNTS

	INTEREST RATE	AMOUNT
General Account - Sterling Federal Bank	0.52	\$909,354.78
Illinois Funds - Firststar Bank, Springfield	0.95	1,977,816.25
SUBTOTAL INTEREST BEARING CHECKING ACCOUNTS		<u>2,887,171.03</u>

NON-INT. BEARING ACCOUNT

Restricted - Sterling Federal Bank		0.00
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MONEY MARKET

ABN-AMRO Investment Services, Inc.	0.40	<u>241,556.18</u>
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TOTAL CHECKING ACCOUNTS

\$3,123,727.21

INVESTMENTS

FINANCIAL INSTITUTION

MATURITY

DATE

First National Bank in Amboy	02-09-05	1.69	\$1,000,000
First National Bank in Amboy	02-26-05	1.74	1,000,000
Union Bank, Tampico	03-28-05	1.79	1,000,000
SUBTOTAL INVESTMENTS			<u>3,000,000</u>

BOND INVESTMENTS - Liability, Protection & Settlement

YIELD

PRICE

Federal Home Loan Mtg Corp	07-15-04	1.75	\$515,214.95
Federal Home Loan Bank	12-15-04	2.00	611,496.84
GA Mun Elec Auth	01-01-05	4.75	381,108.54
Fed Natl Mtg Assn Benchmark	03-15-05	1.50	479,164.06
Federal Home Ln Mtg Corp Refrnce NT	09-15-05	1.60	200,699.17
Federal Home Ln Mtg Corp Refrnce NT	09-15-05	2.13	424,373.27
Miami Dade Cnty Fla Solid Waste Sys	10-01-05	2.60	107,157.33
Houston Tex Water & Sewer System	12-01-05	1.40	53,259.22
Federal Home Loan Bank Bonds	12-15-05	1.90	599,105.46
NC Mun Elec Auth	01-01-06	4.90	315,100.33
Fed Natl Mtg Assn	04-15-06	1.50	551,675.36
Milwaukee Cnty Wis	09-01-06	2.50	218,744.28
Benton Cnty Wash Sch Dist No 52	12-01-06	1.50	266,538.06
Las Cruces NM	12-01-06	4.85	204,265.00
Houston TX Wtr & Swr System	12-01-06	4.30	50,988.83
Mokena IL Go Bonds 2004	12-15-06	1.25	395,048.75
Carol Stream IL Tax	01-15-07	5.07	202,570.89
Anch AL Tel Util	03-01-07	4.90	158,619.08
SUBTOTAL BONDS			<u>\$5,735,129.42</u>

TOTAL INVESTMENTS

\$8,735,129.42

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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EDUCATION FUND

Revenues

Local Governmental Sources
State Governmental Sources
Federal Governmental Sources
Student Tuition and Fees
Sales and Service
Investment Revenue
Other Revenues

TOTALS

	2002-2003 Budget	2002-2003 Actual	2003-2004 Budget	2003-2004 Actual	Budget Percent
Local Governmental Sources	3,021,500	3,076,818	3,138,004	3,126,953	99.6%
State Governmental Sources	2,407,922	2,365,383	3,049,616	3,071,473	100.7%
Federal Governmental Sources	30,700	6,981	1,000	4,240	424.0%
Student Tuition and Fees	2,604,821	2,696,137	3,012,300	2,909,847	96.5%
Sales and Service	212,500	350,341	341,818	249,223	72.9%
Investment Revenue	80,000	34,636	80,000	31,555	39.4%
Other Revenues	446,000	561,476	526,000	10,275	1.9%
TOTALS	8,803,443	9,091,775	10,148,738	9,403,569	92.6%

Expenditures

Salaries
Employee Benefits
Contractual Services
General Materials and Supplies
Travel and Conference Meeting Exp.
Fixed Charges
Capital Outlay
Other Expenditures

TOTALS

Salaries	6,053,764	5,977,311	6,316,729	6,293,726	99.6%
Employee Benefits	1,458,859	1,523,491	1,581,447	1,154,275	72.9%
Contractual Services	328,162	413,772	499,472	416,663	83.4%
General Materials and Supplies	653,216	646,201	921,962	789,494	85.6%
Travel and Conference Meeting Exp.	121,420	130,944	141,725	136,299	96.1%
Fixed Charges	56,212	19,176	22,955	23,950	104.3%
Capital Outlay			111,840	13,895	12.4%
Other Expenditures	476,000	486,400	487,000	516,882	106.1%
TOTALS	9,147,633	9,197,297	10,083,130	9,345,187	92.6%

Transfers

Transfers to Other Funds
Transfers From Other Funds

TOTALS

Transfers to Other Funds	-178,000	161,229	47,500	-175,363	0.0%
Transfers From Other Funds	-178,000	-137,364	-189,000	-175,363	92.7%
TOTALS	-178,000	23,864	-141,500	-175,363	123.9%

NET INCREASE/DECREASE IN NET ASSETS
FUND BALANCE

NET INCREASE/DECREASE IN NET ASSETS	-166,190	-129,387	207,107	233,746	
FUND BALANCE		779,192		970,791	

SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

OPERATION AND MAINTENANCE FUND

Revenues

Local Governmental Sources	2002-2003 Budget	2002-2003 Actual	2003-2004 Budget	2003-2004 Actual	Budget Percent
State Governmental Sources	370,000	377,642	384,123	382,891	99.6%
Federal Governmental Sources	321,520	308,588	432,632	435,360	100.6%
Student Tuition and Fees	271,586	292,860	328,500	317,760	96.7%
Sales and Service	5,500	9,782	6,500	6,812	104.8%
Facilities Revenue	6,000	1,581	4,000	2,531	63.2%
Investment Revenue	9,000	783	2,000	50	2.5%
Other Revenues	39,500	39,015	37,500	357	.9%
TOTALS	1,023,106	1,030,254	1,195,255	1,145,765	95.8%

Expenditures

Salaries	443,944	448,142	461,850	457,583	99.0%
Employee Benefits	153,329	159,168	152,131	139,438	91.6%
Contractual Services	69,500	69,045	69,500	83,755	120.5%
General Materials and Supplies	91,400	86,759	121,300	110,802	91.3%
Travel and Conference Meeting Exp.	2,400	1,874	3,500	1,705	48.7%
Fixed Charges	337,000	62,893	55,362	59,168	106.8%
Utilities	15,000	311,865	386,700	391,189	101.1%
Capital Outlay		14,803	15,000	28,840	192.2%
Other Expenditures					
TOTALS	1,112,573	1,154,552	1,265,343	1,272,483	100.5%

Transfers

Transfers From Other Funds	-34,000	-74,442	-70,500	-12,139	17.2%
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TOTALS

NET INCREASE/DECREASE IN NET ASSETS			411	-114,578	
FUND BALANCE				-114,605	

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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<u>OPERATION & MAINTENANCE - RESTRICTED</u>					
Revenues					
	2002-2003 <u>Budget</u>	2002-2003 <u>Actual</u>	2003-2004 <u>Budget</u>	2003-2004 <u>Actual</u>	Budget Percent
Local Governmental Sources	613,000	623,813	632,938	598,541	94.5%
State Governmental Sources	3,204,922	140,563	3,382,000		0.0%
Investment Revenue	30,000	48,348	10,000	13,071	130.7%
Other Revenues	250,000		250,000		0.0%
TOTALS	4,097,922	812,725	4,274,938	611,613	14.3%
Expenditures					
Contractual Services		36,937		6,400	
General Materials and Supplies		7,984			
Capital Outlay	4,441,152	427,270	5,361,936	587,577	10.9%
TOTALS	4,441,152	472,192	5,361,936	593,977	11.0%
Transfers					
Transfers From Other Funds	-570,000	-1,282,769			
TOTALS	-570,000	-1,282,769			
NET INCREASE/DECREASE IN NET ASSETS	226,770	1,623,302	-1,086,998	17,635	
FUND BALANCE		2,734,359		2,619,893	

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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BOND AND INTEREST FUND

	2002-2003 <u>Budget</u>	2002-2003 <u>Actual</u>	2003-2004 <u>Budget</u>	2003-2004 <u>Actual</u>	Budget Percent
<u>Revenues</u>					
Local Governmental Sources	1,385,000	1,407,191	1,413,519	1,391,766	98.4%
Investment Revenue	5,000	7,493	10,000	3,976	39.7%
TOTALS	1,390,000	1,414,684	1,423,519	1,395,742	98.0%
<u>Expenditures</u>					
Contractual Services	5,000	853	5,000	600	12.0%
Fixed Charges	1,382,008	1,313,579	1,402,763	1,388,531	98.9%
TOTALS	1,387,008	1,314,432	1,407,763	1,389,131	98.6%
NET INCREASE/DECREASE IN NET ASSETS	2,992	100,252	15,756	6,611	
FUND BALANCE		753,700		760,312	

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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AUXILIARY ENTERPRISES FUND

Revenues

Student Tuition and Fees
Sales and Service
Facilities Revenue
Investment Revenue
Other Revenues

TOTALS

Expenditures

Salaries
Employee Benefits
Contractual Services
General Materials and Supplies
Travel and Conference Meeting Exp.
Fixed Charges
Capital Outlay
Other Expenditures

TOTALS

Transfers

Transfers to Other Funds
Transfers From Other Funds

TOTALS

NET INCREASE/DECREASE IN NET ASSETS
FUND BALANCE

	2002-2003 Budget	2002-2003 Actual	2003-2004 Budget	2003-2004 Actual	Budget Percent
Student Tuition and Fees	153,000	162,500	160,500	158,648	98.8%
Sales and Service	44,400	38,943	51,490	42,587	82.7%
Facilities Revenue	75,000	81,509	75,000	92,122	122.8%
Investment Revenue	1,800	1,311	900	919	102.1%
Other Revenues	1,329,250	1,340,414	1,301,549	1,519,086	116.7%
TOTALS	1,603,450	1,624,679	1,589,439	1,813,363	114.0%
Expenditures					
Salaries	72,253	66,575	72,279	63,745	88.1%
Employee Benefits	11,710	13,137	11,481	7,762	67.6%
Contractual Services	38,455	89,505	1,334,654	1,664,242	124.6%
General Materials and Supplies	1,392,405	1,322,268	72,490	80,102	110.5%
Travel and Conference Meeting Exp.	68,340	66,178	62,655	57,389	91.5%
Fixed Charges	2,450	11,698	9,450	16,137	170.7%
Capital Outlay	5,300	12,015	5,800	29,868	25.5%
Other Expenditures	1,590,913	72,637	1,568,809	1,481	122.4%
TOTALS					
Transfers					
Transfers to Other Funds	75,820	24,366	75,000	8,780	11.7%
Transfers From Other Funds	-63,820		-63,000		0.0%
TOTALS	12,000	24,366	12,000	8,780	73.1%
NET INCREASE/DECREASE IN NET ASSETS	537	-53,702	8,629	-116,148	
FUND BALANCE		272,291		152,383	

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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RESTRICTED PURPOSES FUND

Revenues

State Governmental Sources	2002-2003 Budget	2002-2003 Actual	2003-2004 Budget	2003-2004 Actual	Budget Percent
Federal Governmental Sources	1,366,393	1,492,085	1,107,936	1,102,658	99.5%
Sales and Service	2,460,775	3,090,505	2,827,496	3,350,167	118.4%
Investment Revenue	20,000	32,479	6,000	7,834	130.5%
Other Revenues	99,860	156,203	60,619	33,452	55.1%
TOTALS	3,947,028	4,771,273	4,002,051	4,494,111	112.2%

Expenditures

Salaries	1,216,810	1,219,958	1,205,514	1,004,533	83.3%
Employee Benefits	216,159	258,752	188,199	166,545	88.4%
Contractual Services	149,566	73,964	45,609	51,912	113.8%
General Materials and Supplies	724,928	604,439	730,022	537,916	73.6%
Travel and Conference Meeting Exp.	68,506	42,599	54,623	39,062	71.5%
Fixed Charges	13,107	14,111	10,412	10,517	101.0%
Utilities	16,200	11,588	300	631	210.6%
Capital Outlay	194,500	210,073	198,200	586,155	295.7%
Other Expenditures	2,002,689	2,860,502	2,378,441	3,129,135	131.5%
TOTALS	4,602,465	5,295,991	4,811,320	5,526,409	114.8%

Transfers

Transfers to Other Funds	50,847	10,161	-1	75,817	
Transfers From Other Funds		-56,059		-7,451	745114.0%
TOTALS	50,847	-45,898	-1	68,365	-836587.0%

NET INCREASE/DECREASE IN NET ASSETS
FUND BALANCE

	-706,284	-478,818	-809,268	-1,100,663
		1,037,699		-63,045

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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WORKING CASH FUND

	2002-2003 <u>Budget</u>	2002-2003 <u>Actual</u>	2003-2004 <u>Budget</u>	2003-2004 <u>Actual</u>	<u>Budget</u> Percent
Revenues					
Investment Revenue	100,000	44,476	100,000	10,356	10.3%
TOTALS	100,000	44,476	100,000	10,356	10.3%
Expenditures					
Investment Revenue					
TOTALS					
Transfers					
Transfers to Other Funds	200,000	144,476	200,000	110,356	55.1%
TOTALS	200,000	144,476	200,000	110,356	55.1%
NET INCREASE/DECREASE IN NET ASSETS	-100,000	-100,000	-100,000	-100,000	
FUND BALANCE	2,370,783	2,370,783	2,270,783	2,270,783	

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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<u>TRUST AND AGENCY FUND</u>	<u>2002-2003</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2003-2004</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Percent</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>						
Revenues										
Sales and Service		1,652						1,273		
Other Revenues		17,347						18,900		
TOTALS		18,999						20,173		
Expenditures										
Contractual Services		63						16		
Capital Outlay		2,000						6,000		
Other Expenditures		13,748						21,941		
TOTALS		15,812						27,958		
NET INCREASE/DECREASE IN NET ASSETS		3,187						-7,784		
FUND BALANCE		21,542						13,758		

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SAUK VALLEY COMMUNITY COLLEGE
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AUDIT FUND	2002-2003 Budget	2002-2003 Actual	2003-2004 Budget	2003-2004 Actual	Budget Percent
Revenues					
Local Governmental Sources	30,700	30,778	30,710	30,318	98.7%
Investment Revenue	1,000	387	1,000	207	20.7%
TOTALS	31,700	31,166	31,710	30,526	96.2%
Expenditures					
Contractual Services	30,000	28,010	24,000	22,950	95.6%
TOTALS	30,000	28,010	24,000	22,950	95.6%
NET INCREASE/DECREASE IN NET ASSETS	1,700	3,156	7,710	7,576	
FUND BALANCE		32,645		40,221	

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SAUK VALLEY COMMUNITY COLLEGE
REVENUES, EXPENDITURES, AND TRANSFERS
AS OF JUNE 30

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LIABILITY, PROTECTION & SETTLEMENT

Revenues

Local Governmental Sources
Investment Revenue
Other Revenues

TOTALS

Expenditures

Salaries
Employee Benefits
Contractual Services
General Materials and Supplies
Travel and Conference Meeting Exp.
Fixed Charges
Utilities
Capital Outlay

TOTALS

NET INCREASE/DECREASE IN NET ASSETS
FUND BALANCE

	2002-2003 Budget	2002-2003 Actual	2003-2004 Budget	2003-2004 Actual	Budget Percent
Revenues					
Local Governmental Sources	291,000	292,697	295,275	323,798	109.6%
Investment Revenue	200,000	193,656	200,000	60,256	30.1%
Other Revenues	29,000	7,994	22,000		0.0%
TOTALS	520,000	494,348	517,275	384,055	74.2%
Expenditures					
Salaries	273,621	263,076	297,291	272,524	91.6%
Employee Benefits	203,794	194,441	205,564	221,280	107.6%
Contractual Services	66,200	45,959	64,300	59,370	92.3%
General Materials and Supplies	12,600	2,182	6,500	1,682	25.8%
Travel and Conference Meeting Exp.	2,000	760	2,250	360	16.0%
Fixed Charges	45,000	61,173	85,000	61,897	72.8%
Utilities	1,000	1,073	1,100	1,075	97.7%
Capital Outlay	50,000	18,055	50,000	57,498	114.9%
TOTALS	654,215	586,722	712,005	675,690	94.8%
NET INCREASE/DECREASE IN NET ASSETS	-134,215	-92,374	-194,730	-291,634	
FUND BALANCE		6,087,488		5,804,922	

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SAUK VALLEY COMMUNITY COLLEGE
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BUILDING BOND PROCEEDS FUND

	2002-2003 <u>Budget</u>	2002-2003 <u>Actual</u>	2003-2004 <u>Budget</u>	2003-2004 <u>Actual</u>	Budget <u>Percent</u>
Revenues					
Investment Revenue	45,000				
TOTALS	45,000				
Expenditures					
Investment Revenue					
TOTALS					
Transfers					
Transfers to Other Funds	570,000	1,222,769			
TOTALS	570,000	1,222,769			
NET INCREASE/DECREASE IN NET ASSETS	-525,000	-1,222,769			
FUND BALANCE					

For Board Meeting of
July 26, 2004

Agenda Item D-6

BOARD POLICY REVISION

Upon further review, Board Policy 511.01 also needs to be revised in accordance with Policy 104.01(E) due to the administrative reorganization to reflect the title change from Director of College Relations to Vice President of College Services.

RECOMMENDATION: Board approval to revise Policy 511.01 in accordance with 104.01(E) to reflect the title change due to the administrative reorganization approved March 22, 2004.

For Board Meeting of
July 26, 2004

Agenda Item D-7

WORKING CASH FUND BORROWING

Each year it is necessary for the Board to pass a resolution to permit the borrowing of funds from the Working Cash fund as needed for the Educational and Operations/Maintenance Fund.

RECOMMENDATION:

Board approval of the attached resolution to permit the borrowing of funds from the Working Cash Fund as needed for the Educational and the Operations/Maintenance Fund for 2004-2005.



TO: Dr. Richard Behrendt
FROM: Ruth C. Bittner *RB*
DATE: July 15, 2004
SUBJECT: Resolution to Borrow Working Cash Funds

I recommend that we seek Board approval of the attached resolution for transferring working cash funds. This annual resolution authorizes borrowing funds as needed for our operating funds.

n
att

RESOLUTION AUTHORIZING TRANSFER OF WORKING CASH FUNDS

WHEREAS, the Board of Trustees of Community College District No. 506 has issued and sold working cash funds, and the proceeds thereof have been deposited in a Working Cash Fund; and

WHEREAS, the Public Community College Act (Illinois Compiled Statutes, Chapter 110, Section 805/3-33.6) authorizes the transfer of monies from said Working Cash Fund to the Educational Fund and the Operations and Maintenance Fund; and

WHEREAS, the Board further states:

- A) That the taxes or other funds in anticipation of the collection or receipt of which the Working Cash Fund is to be reimbursed are approximately \$11,169,360.
- B) The entire amount of taxes extended, or which the Board estimates will be extended or received for the year, in anticipation of the collection of all or a part of which this transfer is to be made is \$3,553,000.
- C) The aggregate amount of warrants or notes heretofore issued under the Community College Act in anticipation of the collection of such taxes, together with the amount of interest accrued and which the Board estimates will accrue thereon is 0.
- D) The amount of monies which the Board estimates will be derived for the year from state, federal, government and other sources in anticipation of the receipt of all or part of which the transfer hereinbelow is to be made is approximately \$3,099,660.
- E) The aggregate amount of monies heretofore transferred from the Working Cash Fund to the Educational Fund or Operations and Maintenance Fund in anticipation of the collection of such taxes or the receipt of such other monies from other sources is 0.

NOW, THEREFORE, BE IT RESOLVED, that the Treasurer of the District be and is hereby directed to transfer from the Working Cash Fund up to \$2,020,998 to the Educational Fund and up to \$249,786 to the Operations and Maintenance Fund.

Chairman, Board of Trustees

Adopted: July 26, 2004

Secretary, Board of Trustees

For Board Meeting of
July 26, 2004

Agenda Item D-8

WORKING CASH FUND INTEREST

Each time interest is transferred from the Working Cash Fund to the Educational or Operations/Maintenance Fund, the Board must approve a resolution authorizing the transfer. At this time, the administration is recommending the Board approve the permanent transfer of \$98,216.93 to the Educational Fund and \$12,139.17 to the Operations/Maintenance Fund.

RECOMMENDATION:

Board approval of the attached resolution authorizing the permanent transfer of Working Cash Fund interest in the amount of \$98,216.93 to the Educational Fund and \$12,139.17 to the Operations/Maintenance Fund to meet ordinary and necessary expenditures for FY05.



TO: Dr. Richard Behrendt
FROM: Ruth C. Bittner *RCB*
DATE: July 15, 2004
SUBJECT: Transfer of Working Cash Fund Interest

The Public Community College Act allows for the permanent transfer of interest earned in the Working Cash Fund to the Operating Funds. The law indicates that this can be a permanent transfer, that a separate board resolution is required for each transfer, and that the specific dollars and purpose of the transfer must be reflected in the resolution. The attached resolution meets these statutory requirements.

Interest of \$110,356.10 is available now for transfer to meet ordinary and necessary expenditures for FY 05.

I recommend that we seek Board approval of the attached resolution for transfer of Working Cash Fund interest.

n
att

**RESOLUTION AUTHORIZING TRANSFER OF
WORKING CASH FUND INTEREST**

WHEREAS, the Board of Trustees of Community College District No. 506 has issued and sold working cash funds and the proceeds thereof have been deposited in a Working Cash Fund; and

WHEREAS, the Public Community College Act (Illinois Compiled Statutes, Chapter 110, Section 805/3-33.6) authorizes the transfer of interest earned on monies in said Working Cash Fund to the Educational Fund and the Operations and Maintenance Fund; and

WHEREAS, it is proposed to permanently transfer the interest earned in the Working Cash Fund of said District to the Educational and Operations and Maintenance Funds of this District to be used in meeting the ordinary and necessary expenditures of the District.

NOW, THEREFORE, BE IT RESOLVED, that the Treasurer of the District be and is hereby directed to permanently transfer the interest earned in the Working Cash Fund in the amounts of \$98,216.93 to the Educational Fund and \$12,139.17 to the Operations and Maintenance Fund, to be used in meeting the ordinary and necessary expenditures of the District.

Chairman, Board of Trustees

Adopted: July 26, 2004

Secretary, Board of Trustees

For the Board Meeting of
July 26, 2004

Agenda Item D-9

DISPOSAL OF OBSOLETE EQUIPMENT

Professor Charles Atchley has been reviewing equipment maintained by the Physics Department and has determined that some pieces are either obsolete or broken and not worth fixing. These items are identified on the attached list.

We will advertise the equipment internally and in the *Gazette* and *Telegraph* and are also considering offering some equipment on e-Bay (or an internal version of an on-line auction). We will attempt to obtain the best prices we can within a reasonable timeframe.

RECOMMENDATION: Board approval to declare the equipment as obsolete and to dispose of it through sale to the public, as presented.



TO: Richard Behrendt
FROM: Ruth Bittner *RB*
DATE: July 15, 2004
SUBJECT: Disposal of Obsolete Equipment

Professor Charles Atchley has recently been reviewing the collection of equipment maintained by the Physics department. He has weeded out some pieces that are either obsolete or broken and not worth fixing. These items are identified on the attached list.

I recommend Board approval to declare the equipment as obsolete and to dispose of it through sale to the public. Assuming Board approval, we plan to advertise the equipment internally and in the *Gazette* and *Telegraph*. We are also considering whether the best selling prices might be obtained by offering some or all of the items on e-Bay (or an internal version of an on-line auction), as opposed to limiting ourselves to the local market. We will attempt to obtain the best prices we can within a reasonable timeframe.

Thank you.

USED EQUIPMENT FOR DISPOSAL

Department: Physics

Contact: Dr. Charles E Atchley, 815-288-5511 x215

ST OF IL SVC SVCC	DESCRIPTION	STATUS
3452 VE3549 01848	HP Model 675A Sweeping Signal Generator (with manual)	Auction
3454 VE3547 01847	HP Model 675A Sweeping Signal Generator	Auction
3555 VE4349 01793	Welch Scientific Co. 2140A Lecture Table Cathode Ray Oscilloscope (with manual)	Auction
----- VE4821 01793	Healthkit Laboratory Oscilloscope Model 10-18 (with manual)	Auction
----- VE1451 -----	Simpson Digital Volt-Ohm-Milliammeter Model 360-2 (with manual)	Auction
----- VE3514 01930	Kepto Regulated DC Supply (with manual)	Auction
8974 VE5456 -----	Monroe 1655 Calculator (with manual and software programs)	Auction
8975 VE5479 -----	Monroe CR1 Printer for Monroe 1655 Calculator	Auction
----- ----- -----		
----- ----- -----	Duane Flip Top Projector for Reel Film Canisters in self-contained case with case cover	Auction
----- VE3539 01833	Beckman 6225 Eputmeter (with manual)	Auction
----- VE3543 01832	Beckman 6225 Eputmeter (with manual)	Auction
----- VE3537 01834	Beckman 6225 Eputmeter	Auction

USED EQUIPMENT FOR DISPOSAL

Department: Physics

Contact: Dr. Charles E Atchley. 815-288-5511 x215

ST OF IL SVC SVCC	DESCRIPTION	STATUS
3413 VE3456 01849	Beckman Model 6144 Eput and Timer (with manual)	Auction
----- ----- 02131	RD Instruments Model 1575 Tube Tester with manual	Auction
----- ----- -----	Dynascan Corportation 2806 Digital Multimeter (with manuals) Quantity: 2	Auction
----- ----- -----	Nikon Model CL Microscope	Auction
VE3398/ VE3388 01842	General Radio Company Type 1201-C Unit Regulated Power Supply General Radio Company Type 1217-C Unit Pulse Generator (Taped Together; with manual)	Auction
----- VE3383 01797	Hewlett Packard DC Null Voltmeter / Model 413A (with manual)	Auction
----- VE3384 01798	Hewlett Packard DC Null Voltmeter / Model 413A (with manual)	Auction
----- VE4028 01796	Hewlett Packard DC Vacuum Tube Voltmeter / Model 412A (with manual)	Auction
3459 VE3565 01837	Wavetek Model 111 Signal Generator (with manual)	Auction
----- VE4171 -----	Leeds Northrop DC Galvanometer 2430C (with manual)	Auction
----- ----- -----	Mettler H10 Analytical Balance (with manual)	Auction
----- VE4817 -----	Heath Model IGW-47 Sine-Square Wave Generator (with manual)	Auction

USED EQUIPMENT FOR DISPOSAL

Department: Physics

Contact: Dr. Charles E Atchley, 815-288-5511 x215

ST OF IL SVC SVCC	DESCRIPTION	STATUS
----- VE4079 -----	Heath Model EUW-30 Decade Resistance Box	broken; discard
----- VE4078 -----	Heath Model EUW-30 Decade Resistance Box	broken; discard
----- SVC 743 -----	Ealing Basic Spark Source	broken; discard
----- VE4098 -----	Hickok Model 4800 Sine/Square-Wave Generator	broken; discard
----- VE4823 -----	Healthkit Laboratory Oscilloscope Model 10-18	broken; discard
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624.01 Illicit Use of Drugs, Abuse of Alcohol by Students and Prohibition of Tobacco

1. Statement of Goals - Sauk Valley Community College shall be a tobacco and drug free college, and shall avoid abuse of alcohol by its students.
2. Standards of Conduct - The manufacture, distribution dispensation, possession or use of a controlled substance is prohibited in and on Sauk Valley Community College 's owned and controlled property. This prohibition applies to all Sauk Valley Community College students. Except as is otherwise provided herein, the manufacture, distribution, dispensation, possession or use of alcohol is prohibited in and on Sauk Valley Community College 's owned and controlled property. This prohibition applies to all Sauk Valley Community College students and staff.
3. Exceptions - Students of lawful drinking age may consume alcoholic beverages in reasonable amounts at College sponsored functions at which alcoholic beverages are served pursuant to the authority of the Board of Trustees of the College, and in accordance with Illinois law. College students, of lawful age, may dispense alcoholic beverages if served pursuant to the authority of the Board of Trustees of the College, and in accordance with Illinois law.
4. Penalties for Violations of Policy - Any student determined to have violated this policy is subject to disciplinary action up to and including suspension or expulsion. In addition a student receiving financial aid may lose that aid.

Imposition of the discipline shall be in accordance with the Disciplinary Procedures for Sauk Valley Community College.

625.01 Sauk Valley Community College Policy for Residency Verification

Students enrolling at Sauk Valley Community College shall be classified as In-District, Out-of-District, or Out-of-State for tuition and fee purposes:

1. In-District - An in-district student is one whose legal residence is within the boundaries of the Sauk Valley Community College District. All students applying for admission to Sauk Valley Community College are required to certify on the application that the address given is correct. New students to the district must reside in the district at least 30 days prior to registration to be eligible for in-district tuition.

Students who move into the district for reasons other than attending Sauk Valley Community College shall be exempt from the 30-day requirement if they demonstrate a verifiable interest in establishing permanent residency. Verification will consist of employment documentation, home purchase document and/or other legal documents.

Individuals who show proof of full-time employment in the College district will be considered an in-district student. Special cases regarding legal residency of students shall be considered individually.

Office of Admissions personnel will record the residency classification and initial it on the application form.

Returned mail to the college will be cause for the Admissions and Records Office to question residency. If unable to contact the student, records will be flagged and prior to any further registration the student will be required to display residency. Proof of residency will include: drivers license, voter's registration card, or an

apartment lease. This will be verified by the Director of Admissions, Counseling, Records, and Enrollment Services and an appropriate residency classification will be assigned the student's records.

2. Out-of-District - Students who reside out-of-district, but are attending Sauk Valley Community College on an authorized chargeback are classified as out-of-district and will be charged in-district fees. Students who reside out-of-district who are not part of a shared program will be charged out-of-district fees.
3. Out-of-State - Anyone who is a resident of another state at the time of the application will be considered an out-of state applicant and charged out-of state fees.

10/28/96

626.01 Intercollegiate Athletic Substance Abuse Prevention Program

1. The use of alcohol, performance enhancing or illegal drugs by SVCC students who participate in intercollegiate athletics presents a particular hazard to the health, safety and welfare of those students, and is prohibited. The College seeks to prevent and discourage substance abuse by student athletes involved in intercollegiate athletics, and to educate student athletes as to the serious physical, mental and emotional harm which can be caused by substance abuse.
2. The College shall seek to assist its student athletes to develop a pattern of healthy lifestyles choices, to assure that the athletic programs are substance abuse free, to uphold the integrity of Sauk Valley Community College's athletic programs, and maintain the confidence of the community. The College shall further:
 - a. Provide a drug education program for students participating in intercollegiate athletic programs in addition to any programs involving drug and substance abuse provided to the student population as a whole.
 - b. Implement and utilize random testing of student athletes for the presence of controlled substances which may include, without limitation, tests for one or more of the following: amphetamines, barbiturates, benzodiazepines, cannabinoids, cocaine metabolites, methadone, opiates, phencyclidines, steroids, and alcohol.
 - c. Provide appropriate sanctions and education in the event a student tests "positive" on a test for a controlled substance, steroid or alcohol.
3. As a condition to participation in any intercollegiate athletics as students of SVCC, all students seeking to participate shall execute appropriate consents to participation in substance abuse prevention activities, to random drug and alcohol testing by urinalysis, or breathalyzer, and to supervised collection of drug and alcohol testing specimens or samples.

The Dean of Student Services in consultation with the Director of the Athletic Department shall establish reasonable procedures for substance abuse education and for random testing of student athletes participating in intercollegiate athletic competition and dealing with the consequences of such tests and shall inform the Board about such procedures. Any testing done pursuant to this policy shall be done by responsible medical organizations with the appropriate facilities or arrangements for administering the test, and determining the results of the test.

7/26/99

6/28/04

**SAUK VALLEY COMMUNITY COLLEGE
INFORMATION SERVICES**

MEMORANDUM

To: Dr. Behrendt

From: Alan Pfeifer

Date: July 19, 2004

Subject: Annual count of students served

Below is a table of the annual unduplicated head count for the past five years. In the past the Unduplicated Total was merely a sum of the Non-credit and Credit students served. Beginning this year we have added an actual count of unduplicated students served by both credit and non credit. It is located in parenthesis in the Unduplicated Total column.

Annual Unduplicated Students Served

Fiscal Year	Unduplicated Non-credit	Unduplicated Credit	Unduplicated Total	Percent Increase - Decrease
2000	1,842	4,340	6,182	Base year
2001	1,856	4,065	5,921	-4.22%
2002	1,747	4,913	6,660	+12.48
2003	2,859	5,286	8,145	+22.3
2004	1,875	5,045	6,920 (6740)	-15.04

SAUK VALLEY COMMUNITY COLLEGE VICE PRESIDENT OF STUDENT SERVICES

MEMORANDUM

TO: Dr. Richard Behrendt

FROM: Dr. Joan E. Kerber *JEK*

DATE: July 13, 2004

SUBJECT: Transfer GPA Comparisons

As always, I like to keep you informed of the progress of our transfer students. Once again, I am proud to announce that Sauk Valley Community College has demonstrated quality instruction through their transfer record. The following grade point average comparison has been sent to us from Northern Illinois University for Spring 2004 semester.

Northern Illinois University Transfer Student Summary Progress Report

Spring 2004 Data for Students

189	5,092	1,783	9,581
Community College Transfers from Sauk Valley Community College	All Illinois Community College Transfers at Northern Illinois University	All Other Transfers at Northern Illinois University	All Native Students at Northern Illinois University
Sauk Valley Community College Transfer GPA Cum NIU	Other Community College Transfer GPA Cum NIU	All Other Transfer GPA Cum NIU	Total Native GPA Cum NIU
Mean 3.13	Mean 2.92	Mean 2.94	Mean 2.81

(G.P.A. based on the Northern Illinois University cumulative grades)

Our faculty, staff, and students need to be commended on a job well done. These comparisons once again confirm that we have every right to boast about the quality education that our students are receiving at Sauk Valley Community College. Both Student Services and Instructional Services can take pride in this display of excellence.

SAUK VALLEY COMMUNITY COLLEGE VICE PRESIDENT OF STUDENT SERVICES

MEMORANDUM

TO: Dr. Richard Behrendt

FROM: Dr. Joan E. Kerber *JEK*

DATE: July 13, 2004

SUBJECT: Transfer GPA Comparisons

As always, I like to keep you informed of the progress of our transfer students. Once again, I am proud to announce that Sauk Valley Community College has demonstrated quality instruction through their transfer record. The following grade point average comparison has been sent to us from University of Illinois Urbana-Champaign for Fall 2003 semester.

University of Illinois/Urbana-Champaign Transfer Student Summary Progress Report

Fall 2003 Data for Students

5	668	402	5,186
Community College Transfers from Sauk Valley Community College	All Illinois Community College Transfers at University of Illinois Urbana/Champaign	All Other Transfers at University of Illinois Urbana/Champaign	All Native Students at University of Illinois Urbana/Champaign
Sauk Valley Community College Transfer GPA	Other Community College Transfer GPA	All Other Transfer GPA	Total Native GPA
Mean 3.31	Mean 3.33	Mean 3.31	Mean 3.03

(G.P.A. based on the University of Illinois cumulative grades)

Our faculty, staff, and students need to be commended on a job well done. These comparisons once again confirm that we have every right to boast about the quality education that our students are receiving at Sauk Valley Community College. Both Student Services and Instructional Services can take pride in this display of excellence.



Sauk Valley
Community College

Memorandum

TO: Richard Behrendt
FROM: Ruth Bittner *RB*
DATE: July 15, 2004
SUBJECT: Results of telephone bills "audit"

In January 2004 I was contacted by a representative of Northwest Capital Recovery Group about performing an audit of our telephone bills. NCRG is a firm that is based in Eugene, Oregon, but has local representatives across the country. They audit all types of utility bills – telephone, electric, gas, water, etc. – to verify that clients receive the most advantageous rate arrangements and that they're being billed properly in accordance with their contracts. NCRG works on a contingency fee basis, so they receive payment only if they find and implement savings and/or refunds for their clients. I signed a contract with them in February to audit Sauk's telephone bills.

Sauk has paid the following amounts for telephone services in the last few years. These costs cover both voice and data lines.

FY 02	\$56,212.91
FY 03	\$71,526.01
FY 04	\$74,221.74

As you can see, we experienced a large increase in FY 03. NCRG discovered that the reason for the increase was because our last contract with AT&T for long distance services expired in 2002, and AT&T simply renewed it at a rate of their own choosing without issuing a new contract. The previous contract had taken advantage of a statewide rate agreement related to Internet lines. AT&T's arbitrary contract renewal resulted in us paying \$17,000 more over 18 months than we would have with the previous contract terms.

NCRG also examined the configuration and rates we use for our local service and dial tone connection, as compared to the alternative possibilities that might be offered by telephone companies.

After explaining their findings to me, NCRG conducted negotiations with AT&T and Gallatin River, the provider of our local service. They attempted to convince AT&T to give us a \$17,000 refund because of the contract renewal but were unsuccessful in that effort. In the meantime, Gallatin River was quite receptive to exploring and implementing a more cost effective software

configuration and to negotiating lower rates for both local and long distance service. Because of Gallatin River's willingness to work with us and also their more competitive rate offers, NCRG recommended that we change our dial tone configuration and switch long distance service from AT&T to Gallatin. They completed the arrangements and I signed a new contract on April 8.

The result of this audit is expected monthly savings of \$520.65 on the dial tone/local service plus \$1,021.28 on long distance service, or a total of \$18,503 per year. The new arrangements were implemented effective May 1. NCRG's fee was equal to 50% of the expected savings for 18 months, or \$13,877.28. We paid that in April.

Because of the audit we were able to reduce our Operating Funds telephone budget from \$91,200 for FY 04 to \$70,000 for FY 05.