

# **DALNET FINANCE COMMITTEE**

**Friday, December 12, 1997**

**Present :** Margaret Auer, Gerald Bosler, Patricia Senn Breivik, Gloria Ellis, Robert Harris, Phyllis Jose

## **1. Mergers of member libraries:**

Detroit Medical Center currently has seven locations. Grace Hospital, one of these sites, is being merged with Sinai Hospital, which is not currently a member site. It is anticipated that Hutzel Hospital will be closed next year.

After lengthy discussion, it was agreed that because of the impact on other member institutions, a member is responsible for the cost as quoted until the time, at the end of five years, when the formula as applied will be reviewed for equity of the membership. The price as quoted for the various locations is the price for Detroit Medical Center. There will be no additional charges for adding Sinai's records or for transferring Grace's records or Hutzel's. Fifteen months notice is needed to terminate.

The Finance Committee recommends to the Board that when existing members merge, they remain responsible for their combined share of expenses for a minimum of three years, until the budget is reviewed. If a member merges with a non-member, the member will continue to pay the same charge for three years until the fees are re-assessed for budget purposes.

## **2. Pricing for community information providers:**

The committee attempted to identify what costs could be considered in arriving at a price for these agencies. It was agreed that the charge would be the cost of loading and maintaining the data plus the 22% overhead which is charged for services to DALNET members. Once costs are covered, any profit will be divided on the 60-40 percent basis between Wayne State University and DALNET, until Wayne State comes into line in the costs it is assuming.