

**DALNET Finance Committee Minutes
July 8, 1999
Adamany Undergraduate Library
Wayne State University**

Present: M. Auer, UDM; J. Bosler, MCC; P. Senn Breivik, WSU; B. Harris, WSU; P. Jose, OCL;
Guest: L. Bugg, WSU.

I. Call the Meeting to Order

The meeting was called to order at 2:20 p.m.

1. Detroit Area Library Network (DALNET) Financial Guidelines July 8, 1999 Revision

The revised document was distributed with recommendations made at the DALNET Board Meeting on June 15, 1999. A minor, additional change was made to refine the definition of a record on page 4. The Board approved portion of the document was reviewed. There was some initial discussion about the unapproved, Customer section, of the document. The DALNET Table of Charges / Costs was reviewed. Changes and suggestions were made. The newly revised documents will be dated and distributed at the next Board meeting.

A. Memberships

Types of DALNET membership were reviewed in light of specific libraries that are looking for online systems. Questions were asked: How do we pursue these institutions? Who will pursue? How do we track these institutions? How does DALNET as an organization coordinate dealings with potential members? How actively shall new participants be pursued?

It was agreed that most of the contacts with potential new members will be Board member generated. Follow-up contacts can and should be done by the DALNET Marketing Coordinator, Dee Callaway. There was consensus that a Board member who is contacting a specific library has to decide when to turn the client over to the Marketing Director. The Marketing Director will create marketing procedures for Board members to follow. A draft will be distributed.

Communication is important. Consequently, it was agreed that copies of communications between the soliciting Board member and the client should be emailed or sent to the President of DALNET, the Chair of the Board and the Marketing Coordinator.

Finance Committee members were concerned that the momentum of DALNET marketing campaign be fortified. Pricing is a critical component. All DALNET members should be active on Horizon by December, 1999. To achieve a true information hub concept and to reap a cost benefits, additional members, information providers and customers should be added as soon as possible after the original members are facilitated. The Finance Committee does not want to undervalue DALNET services. Participation needs to be attractive; DALNET needs to charge for real costs incurred. Finance Committee members were in agreement that costs should be computed based on the Financial Guidelines which clearly indicate options/scenarios for a variety of participants and their situation.

1. Marygrove College Library

Marygrove College Library has indicated its willingness to consider a DALNET proposal. Because Marygrove is a member of the Catholic Consortium as well as a very old library, it is an attractive acquisition for membership status. However, any proposal made to Marygrove must be cost effective for them to make the change from Innovative Interface.

Their annual fee for Innovative is \$. They have also budgeted another \$ to go for an FTP enhancement. In addition, they would like to acquire a Z39.50 connection at \$, but, find the change too expensive.

Based on the Financial Guidelines, both Option I and Option II were deemed too expensive. Option III was considered. It was noted that Marygrove might save a good deal on OCLC costs for cataloging with copy cataloging from the DALNET database. At the same time Marygrove may incur additional costs for record conversion in a migration by transferring to a new system. Data conversion and loading costs may be as much as \$14,000. Further, there may be equipment upgrades required as well. However, the system they have is very expensive. One of the key selling features is that Innovative doesn't have some key locally attractive, value-added benefits that DALNET has to offer. By going to DALNET/Horizon, Marygrove would be getting: DALNET standardization of staff and patron applications, DALNET networking, DALNET reciprocity for on-site borrowing, RSS/ILL, a Z39.50 connection, etc.

Auer proposed that Marygrove be recognized as having 268,000 records and placed on the appropriate tier for pricing. It appears that based on this method over a 5 year period Marygrove might be charged \$, which is what we understand Marygrove will pay for Innovative Interface. In creating a package proposal for Marygrove, there are a number of plans that can be offered. In a negotiation DALNET might offer Marygrove a membership for as little as \$ over 5 years. Of this amount \$10,000 would go to Ameritech for software licensing fees. The net revenue would be \$.

A question to be resolved is whether Ameritech can be convinced to waive the licensing fee for new members during the first year.

The Finance Committee will recommend to the Board that a DALNET team sit down with the Marygrove Director of Libraries, Frank White, and negotiate a price of between \$ to \$ over 5 years. The team will emphasize the value added benefits as well as aspects of staying with Innovative, especially the expensive module upgrades and increases in ongoing costs that are bound to occur.

2 Greenfield Village Library

Finance Committee members considered Greenfield Village Library. All agreed that this library has something to offer as a DALNET member both in prestige and in resources. However, follow-up needs to be actively pursued. If pricing is an issue, the DALNET Finance Committee will request Board approval to respond with an attractive package. In the meantime, the DALNET Marketing Coordinator needs to begin an active dialogue with the staff at Greenfield Village to find out where they are in their process and what DALNET can do to keep them interested.

3. St. Claire Community College and Macomb County Libraries

Contacts with St. Claire Community College have been made. Ongoing, active communication needs to be encouraged with them. They are about one year away from being able to make a commitment. Similarly, Macomb County Libraries are about one year away from being able to make a commitment. The Macomb Libraries are beginning to fragment, acting individually as opposed to networking with a union catalog. All of these libraries are currently using Ameritech's Dynix library system which will be phased out within several years. DALNET Systems personnel need to determine the timing of the Dynix phase-out as well as how a migration path to Horizon might work. Contacts should be made to determine what Dynix personnel quoted St. Clair C.C. and Macomb County Libraries for Horizon and to see if DALNET can undercut the quote.

B. Customer

There was discussion on the services a DALNET customer might require. Changes were made in the DALNET Financial Guidelines. A revised draft will be submitted at the next Board meeting for consideration..

II. New Business

Because of the changes both within DALNET and within Wayne State University, the DALNET Finance Committee considered that the DALNET Marketing Coordinator might be engaged on a full-time basis. There are a number of reasons. Timing the marketing campaign is a critical element in the success of DALNET. Communication, follow-up and active involvement in DALNET marketing require full time attention.

There are savings within DALNET to pay for the salary expenditure of a full-time Marketing Coordinator. The DALNET Help Desk is not yet up and running and there are cost savings on Ameritech modules / enhancements that have not been delivered. Nevertheless, there are political considerations at WSU which may impede a full-time appointment. Over the long term it may not be wise to offer such a position. It may be more provident to offer a second part-time position and have two active collaborators. There was agreement that additional marketing efforts should be pursued. The Finance Committee will recommend to the Board that DALNET funds be made available, up to the number of hours of a full-time person, to actively pursue the duties of DALNET marketing coordination. WSU will be asked to use its discretion in how to best fill this need as a directive of the DALNET Board. The funds are available for the FY 99-2000 only.

In addition, consideration was given to the need for a DALNET equity pool from which to gather contributions toward capital expenditures like equipment or other agreed upon enhancements. There was agreement that it is time to begin planning for enhancements that are not yet clearly identified but which can be expected. For example, while it remains unclear as to when, it can be expected that a new or expanded server may be necessary over time. By engaging new participants DALNET will begin to have money set aside for this expenditure. The formula has been established to build a capitalization pool. The Board now needs to reaffirm this objective.

III. Adjournment

The meeting adjourned at 5:00 p.m.

Respectfully submitted,
J. Bosler, Chair