



DALNET Board of Directors Meeting

Friday, September 26, 1997
9:00am to 12 noon

Dean's Conference Room
WSU, Undergraduate Library

Agenda

1. Approval of Minutes of May 29, 1997 (previously distributed)
 - recommended corrections attached (M. Auer) -- **action item**
 2. Finance Committee DALNET cost distribution proposal:
 - a. Membership Description (sent by Finance Committee) -- **action item** (G. Ellis)
 - b. Community Information Provider Description; Customer Description (sent by Finance Committee) -- **action item** (G. Ellis)
 - c. Financial Allocation Discussion
 1. Basic Principles for Funding Allocations (G. Ellis)
 2. Financial model -- **action item** (R. Harris)
 - Documentation sent by Finance Committee:
 - Cost Components (from draft contract)
 - Payment Schedule and Penalties (from draft contract)
 - Allocation of Annual Costs, One-Time Costs, Annual Costs, Total Costs, Frame Relay Costs (from draft contract), DALNET Budgets/Budget Detail (sent by Finance Committee)
 - 3. New Membership (pre-contract, post-contract) (R. Harris)
3. Presentations to local Administrations (P. Breivik)
4. Distribution of Draft DALNET/Ameritech Contract
5. Collection Development Committee Membership and Charge -- **action item**
6. Election of 1997-1998 Officers -- **action item**
7. Next meeting: Wednesday, October 8, 1997, 9:00am-4:00pm

DALNET BOARD MINUTES

Friday, September 26, 1997
Community Room
David Adamany Undergraduate Library
Wayne State University

Present:

Dr. Patricia Senn Breivik	WSU
Dr. Suzanne O. Frankie	OU
Nancy Bulgarelli	WBH
Deborah L. Adams	BH
James Flaherty	WCC
Dr. Maurice Wheeler	DPL
Michele S. Klein	CH/HH
Margaret E. Auer	UDM
Phyllis Jose	OL
Jerry Bosler	MCC
Judy Murray	OCC
Gloria B. Ellis	Walsh
Cherrie M. Mudloff	DMC

Other:

Frank White, Project Manager	MCC
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Staff:

~~Robert Harris~~
Robert Harris

The meeting was called to order by M. Auer, chair, at 9:45 a.m.

1.0 Minutes:

Minutes of the May 29, 1997 Board meeting were approved with the corrections recommended by M. Auer.

2.0 Finance Committee DALNET Cost Distribution Proposal:

2.a. Membership Description

Gloria Ellis presented the membership description distributed prior to the meeting. M. Auer noted it combined the vision statement with contract information. L. Bugg identified the seven counties comprising the Metropolitan Detroit region as Oakland, Wayne, Macomb, Monroe, Washtenaw, Livingston and St. Clair. M. Auer confirmed the need to pursue a definition of resource sharing.

ACTION: G. Ellis, on behalf of the Finance Committee, recommended approval of the Membership Description:

Members of Detroit Area Library Network (DALNET) are committed to create, through their partnership and shared effort, a model regional information hub in the Detroit area. The hub will be a vast source of information and library-based services providing access to the shared resources of the DALNET member institutions. It will serve as a gateway to information resources worldwide that supports the life-long learning needs of the people of the Metropolitan Detroit region. It will improve access to unique local information, special collections, and services available through DALNET member institutions. This effort will also enable DALNET librarians too play a leadership role within their institutions and communities in the delivery of information to meet the library-based learning, research, professional, cultural, and recreational needs of their users.

To accomplish this, DALNET membership is open to academic public, school and special libraries as well as other information organizations in the seven county Metropolitan Detroit region. DALNET also provides opportunities for community information providers to use the online system for the purpose of resource sharing.

DALNET is a nonprofit organization directed by a Board composed of representatives of its member organizations. To make the regional information hub possible, DALNET members share an online system, contribute to its database, and are committed to resource sharing.

Approved.

2. b. Community Information Provider Description:

G. Ellis presented the Community Information Provider Description distributed by the Finance Committee. M. Klein questioned how this would differ from the providers' own web sites. P. Breivik explained that the intent is to make the providers part of the same system, which would offer ease of use by end users, standards for data entry through the expertise of librarians, and currency of information which is not always maintained at web sites. L. Bugg questioned whether the providers would receive compensation for use of their data; this would be negotiated.

ACTION: G. Ellis, on behalf of the Finance Committee, recommended approval of the revised description:

To expand the resources available in its model regional information hub, DALNET invites community information providers in the seven county Metropolitan Detroit region to share their resources by loading these into the system. Community information providers pay the cost for loading their resources and bear the responsibility for keeping their data current and for following standards for data entry.

Approved.

Customer Description:

G. Ellis presented the customer description distributed by the Finance Committee.
S. Frankie questioned how Wayne State University services would be separated from DALNET services.

ACTION: G. Ellis, on behalf of the Finance Committee, recommended approval of the revised description:

Librarians and other organizations which do not subscribe to the integrated library system may purchase DALNET services. For these customers, the costs will be discounted according to the number of services purchased.

Approved.

2.c. Financial Allocation Discussion:

2.c.1. Basic Principles for Funding Allocations:

G. Ellis outlined the principles which guided the Finance Committee:

- (a) Equity: Early members received advantages which continued through the years. All members of DALNET will now be treated the same.
- (b) Measurability: After seeking various data from members, the Finance Committee arrived at number of records as a measurable means for allocating costs.
- (c) Minimum cost: Every member will be charged a minimum cost of \$7500. The committee noted that those who do not contribute a great amount of data do derive much information from the system. It was also noted that allowance for growth will be made within the tiers.
- (d) Lower ongoing costs: The Committee stressed its commitment to lower costs. This is being made possible in large measure by Wayne State University assuming a disproportionate share of costs, beyond the proposed tier structure.

2.c.2. Financial Model:

R. Harris distributed revised figures for the allocation model. He detailed the Ameritech/DALNET partnership cost components. He noted that a 10% discount in software costs for the Horizon modules had been negotiated, along with a credit for RSAS, the Resource Sharing Automation System for Interlibrary Loan and Document Delivery. He indicated that hardware costs are not firm, and Ameritech has stated it will match IBM's educational discount. The hardware includes three servers: one at Detroit Public Library, one at Wayne State University and the third to be used as a test server. He then detailed the payment schedule and explained the "hold back" and penalty provisions which were negotiated, based on implementation and migration along with development of enhancements. Enhancements represent \$267,950 of the costs. Deduction for delay in delivering of individualization of screens for the OPAC will result in 20% of price penalty, while other enhancements will be subject to 10% penalty if delayed. Six migrations are planned according to Rider M.

M. Wheeler questioned DALNET salaries for the administrative group. R. Harris responded that in reality these are reduced. The group at one time included a portion of the dean's salary, and added that as assistant dean, 20% of his time is spent on DALNET business. The group includes a new part-time position, with secretarial support, for a membership development person who will be charged with recruitment of members and grant writing in an attempt to reduce costs and build a better database. P. Breivik noted that the membership development position is not permanent. M. Wheeler noted that he is revisiting staffing costs for the help desk service which will be based at Detroit Public Library and will start in 1999, the fiscal year following the library's migration. Ameritech will provide a help desk during the migration. J. Murray noted that the DALNET project manager is also a new position. R. Harris pointed out that the computer center employees will be eliminated gradually as network control is replaced with client software and application issues will be referred to the systems librarian.

R. Harris next stressed the overlapping costs of supporting two systems, Notis and Horizon, as the migration occurs. The costs are presented in today's dollars, with no provision for inflation. Ameritech is extending credits for Notis maintenance, a benefit of remaining with the company. Frame relay costs were identified as based on two components: the one-time connection to servers and ongoing annual costs. The costs given are based on individual building hook-ups with 56k lines from buildings and T1 lines from servers. L. Bugg explained why the frame relay costs are optional, but stressed that if institutions use their own lines, DALNET can make no guarantees concerning response time.

M. Klein commented on the changing status of hospitals as distinct institutions and questioned the proposal to contract with each hospital rather than the Detroit Medical Center as a consortium. D. Adams noted that the costs detailed do not include home site equipment; database license costs are also not included.

R. Harris next explained the tier structure which begins with the minimum cost of \$7500 for libraries with 1 to 50,000 records. Subsequent tiers are 25,000 records in size, with incremental costs for each tier derived from number of records. A formula was devised to allocate each library's percentage of one-time and overlapping costs. P. Breivik noted the need to convey to administrations that DALNET faces a three year period in which there are both one-time costs and transition costs, but the "bottom line" will be lower on-going costs for a better system with enhanced features as well as local control. The initial cost for Net Publisher will be paid by Wayne State University, Detroit Public Library and University of Detroit Mercy who are interested in digitizing some special collections; ongoing costs will be shared by all members because of the access to the resources provided. R. Harris then reviewed the schedule of payments for Horizon which is based on when specific components are delivered.

R. Harris explained that he will be sending bills shortly based on the approved FY98 budget. When the contract with Ameritech is signed, adjustments will be made. J. Bosler asked for verification that the projected expenditures do not include frame relay costs,

databases and local site equipment. R. Harris added that bills can be issued separately for capital and operating costs. M. Klein questioned whether governance of DALNET will change. M. Auer responded that by-laws will need to be reviewed.

ACTION: G. Ellis, on behalf of the Finance Committee moved approval of the allocation model as presented.

Approved.

2.c.3. New Membership:

R. Harris explained that before the contract signing, new members may join DALNET with no additional cost to be paid to Ameritech. After the contract signing, DALNET can market the system in the seven county Metropolitan Detroit region, with the exception of the University of Michigan, with new members paying a minimum one-time cost:

<u>Number of volumes</u>	<u>Cost</u>
Less than 10,000	No cost
10,000-50,000	\$5,000
Over 50,000	\$10,000

In the past, Harris added, new members were assessed at a higher rate to reflect the input of earlier members, but DALNET now proposes to assess new members at the same tier rates as Ameritech will charge. After contract signing, a new member with more than 50,000 volumes will pay a fee of \$20,000, with \$10,000 of that passed through to Ameritech. Sixty percent of the \$10,000 DALNET fee will go to Wayne State University to offset the disproportionate fees it pays, and forty percent to DALNET for use as determined by the DALNET Board.

3.0. Presentations to Local Administrations:

M. Auer reported that letters were mailed September 24 to invite administrations to a presentation at Wayne State University on Friday, October 10. A morning session will be geared to prospective members. J. Bosler is preparing a list of Frequently Asked Questions and Answers. Lana Porter, Ameritech president, will be present, along with representatives of AADS (Ameritech Advanced Data Systems) who will discuss frame relay. Break-out groups will focus on costs, contract overview, telecommunications and the library system. L. Bugg offered the services of the Partnership Team in preparing for the meeting.

ACTION: No objections were voiced to the draft of the DALNET/Ameritech Proposal Briefing for DALNET Institution Administrators.

The draft of the DALNET Membership Benefits statement was reviewed and revised. J. Bosler commented that the old DALNET membership brochure, along with this document, could form the basis for a new pamphlet. F. White stated that the committee who worked on identifying benefits focused on how to sell the upgraded system to

administrators and accountants and thus concentrated on labor costs. G. Ellis reviewed the charge given to the Project Mangers' sub-committee to assess the cost components that a local site would need to absorb if it chose not to remain in DALNET and the benefits a site would lose if it left DALNET. These will be restated in a more positive mode.

4.0. Distribution of Draft DALNET/Ameritech Contract:

Copies of the purchase agreement between Ameritech Library Services and Wayne State University were distributed by M. Auer.

5.0. Collection Development Membership and Charge:

M. Auer reviewed the charge for the DALNET Collection Development Committee and the composition of the committee which will focus on electronic databases.

ACTION: P. Jose moved for affirmation; G. Ellis seconded the motion.

Approved.

6.0. Election of Officers:

R. Harris offered ballots for election, with candidates having received two or more nominations.

ACTION: J. Bosler moved to retain current officers:

M. Auer	Chair
M. Wheeler	Vice Chair
G. Ellis	Secretary

S. Frankie seconded the motion.

Approved.

7.0. Next Meeting:

The Board will meet Wednesday, October 8 at 9:00 a.m. to discuss the draft contract. The day-long meeting will be held in Manistee Rooms A and B, Ward Conference Center, University of Detroit Mercy, Outer Drive Campus. The Board will be asked to endorse the contract or identify any areas for renegotiation. Wayne State University, as DALNET agent, will sign the agreement with Ameritech. DALNET member institutions will sign agreements with Wayne State University.

ACTION: Members will express their willingness to continue in DALNET by sending a letter of intent to P. Breivik, Board President, with a copy to M. Auer, Board Chair, by November 19.

The meeting was adjourned at 12:45 p.m.

Gloria B. Ellis
Secretary

From: Margaret E Auer
To: Internet: gellis@walshcol.edu
Date: Tuesday, June 17, 1997 10:47 am
Subject: Minutes

I have read the minutes of the May 29th Board meeting and have two corrections and one suggested change.

page 4 4th par: Before leaving, T. Burns, as Vice President of Sales delivered a Letter of Intent confirming Ameritech's willingness to work with DALNET to develop and implement Horizon and to position DALNET as a metropolitan information hub.

page 5 missing is a statement such as the following:
M. Auer distributed to each member of the Board the Ameritech cost study for their library going with a stand-alone Horizon system rather than with the consortium.

page 4 2nd par second sentence: He suggested that Ameritech's...
It is unclear who "he" is referring to in the previous sentence. Maybe change the "he" to "T. Burns"

Otherwise, you really did a nice job in capturing the essential part of the presentations and conversations. Thanks.

Wayne State University Libraries

Memorandum

To: DALNET Board Members,

From: Robert Harris *RH*

Re: Enclosures for Sep. 26th Board Meeting

Date: September 16, 1997

Enclosed you will find several documents that will be discussed at the September 26, 1997 meeting. They include:

- Membership Description
- Community Information Provider Description
- Ameritech/DALNET Partnership Cost Components
- Payment Schedule and Penalties
- DALNET Budget Proposal, consisting of an allocation model and supporting schedules (11 pages)

Gloria Ellis and I will be leading the discussion on the financial aspects of the Ameritech/DALNET Agreement. Both the DALNET Negotiating Team, composed of Patricia Senn Breivik, chair, Margaret Auer, Louise Bugg, Lou Lessem, Maurice Wheeler and myself and the DALNET Finance Committee, consisting of Gloria Ellis, chair, Margaret Auer, Jerry Bosler, Patricia Senn Breivik, Phyllis Jose and myself have worked very hard on your behalf to negotiate the best contract possible and to develop a new model for allocation of costs that is not only equitable but results in a reduction in annual operating costs for most members. Many contract revisions and allocation models were reviewed and discussed by the two committees before arriving at the versions detailed in the accompanying documents. Please take the time to carefully review the documents and be prepared to discuss any questions or concerns you have regarding them at our meeting.

Membership Description

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Community Information Provider Description

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* * *

^{and other organizations}
Libraries which do not subscribe to the integrated library system may purchase DALNET services. For these customers, the costs will be discounted according to the number of services purchased.

DALNET Collection Development Committee

Charge to Committee

1. To determine and make recommendations on opportunities for cooperative collection development among the DALNET membership (e.g., evaluation of cooperative collection management systems such as the Library of Record).
2. To identify and gather information from DALNET members on prospective electronic databases which may be important for DALNET membership.
3. To develop a consistent/standard process for the evaluation of test electronic databases.
4. To coordinate trials, evaluations, and make recommendations on electronic databases which may be important for DALNET membership.
5. To share expertise and insights on ways to enhance electronic database services to users.
6. To assume responsibilities for any appropriate related tasks which may be generated by the Board of Directors or DALNET Systems Office.
7. To record minutes of meetings, providing a copy for DALNET President, DALNET Board Chairperson, WSU Director for Technical Services and Systems, and members of the Committee.

Committee Membership

1. The Committee shall be comprised of representatives of public, academic, and special libraries appointed to serve for a period of two years, subject to reappointment.

In order to maintain continuity and to establish an appropriate cycle of service, the initial appointments shall be three individuals for two years and three individuals for three years. Except for the Chairperson, the length of an individual's term shall be determined by lot during the first committee meeting.

2. The chairperson shall serve for a period of two years. Following this initial appointment, the chairperson shall annually be elected by the committee members.
3. The Committee shall ultimately be responsible to the Board of Directors but reports directly to the DALNET Project Managers.
4. As the membership of DALNET changes, the Committee membership should reflect the changes.

DALNET Collection Development Committee

Membership

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