DALNET BOARD OF DIRECTORS
Meeting Agenda
Monday, 17 November 2003
10:00 AM – 2:00 PM
Explorers Room, Lower Level*
Detroit Public Library
5201 Woodward Avenue
Detroit, MI 48202
(313/833-3995)

10:00	1	Call to Order/Call to the Audience/Review agenda
10:05	2	Approval of September 2003 DALNET Board Meeting Minutes
10:10	3	Review host site cost scenarios – Staff

Desired outcome: OK proposed timetable. Identify issues in need of clarification. Propose members for joint DALNET-TLN Task Force

Noon		Lunch Break
1:00	4	Budget preparations - Staff

Desired outcome: Approve proposed revenue projections for FY 2004-05. Provide guidance for Budget Task Force

1:30	5	Chair's report – Jerry Bosler

Desired outcome: OK proposed Bylaws for MiLE Governing Board

2:00		Adjourn

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* Nancy says you may park in the lot south of the DPL main library and use the Putnam street entrance on the south side of the building.

DALNET Board of Directors
Meeting Minutes
Monday, 17 November 2003
Detroit Public Library

DALNET Board moves forward with budget preparations

In fiscal year 2004-05, which begins on 1 October 2004, DALNET's budget will be significantly less than the FY 2002-03 budget. To accommodate this cut, the DALNET Board of Directors has reviewed various options, including:

- Remaining at Wayne while continuing to run Dynix Horizon, DALNET's current integrated library system.

- Staying at Wayne State and purchasing a new ILS.

- Moving to a different host site.

Following the September meeting, when the Board reviewed six preliminary fiscal year 2004-05 budget scenarios, Wayne State offered two new budget proposals. After reviewing Wayne's new proposals, the Budget Task Force prepared recommendations for the Executive Committee. The Task Force also asked WSU for clarification on several aspects of these new proposals.

At the Executive Committee's 3 November meeting, Sandra Yee, WSU Dean of Libraries, provided the clarification requested by the Budget Task Force, along with several new proposals:

1) WSU suggests using fiscal year 2004-05 as a one-year "transition period." During this time-frame, Wayne State will continue as the DALNET host site, and DALNET will implement decisions made during a planning process in the 2003-04 fiscal year.

2) Wayne has offered to pay the salary and fringe benefits for Anaclare Evans, DALNET's current System Librarian, during the 2004-05 fiscal year.

3) The WSU computing center runs DALNET's servers under contract, at an annual cost of $50,000. In FY 2004-05, Wayne State University Libraries will assure a cap of $25,000 on the DALNET agreement with the WSU Computing Center.

4) WSU suggests a flat-rate overhead fee of $60,000 in FY 2004-05. This flat fee includes DALNET's portion of the Treasurer's salary.

After discussing these proposals, along with various budget and staffing options, the Board entered into Executive Session at 12:38 PM, upon a motion by XXXX, seconded by YYYY, to discuss personnel matters. Motion carried unanimously. The Board asked Michael Piper to join the Executive Session at 1:46 PM. XXXX moved and YYYY seconded that the Board return from Executive Session at 2:16 PM. Motion passed unanimously.

On a motion by Jennifer Moldwin Gustafson, seconded by Deborah Adams, the Board voted unanimously to accept WSU's offer to continue as the DALNET host site during FY 2004-05. Wayne will pay the salary and fringe benefits for Anaclare Evans, DALNET's current System Librarian, during this 2004-05 period. WSU Libraries will also cap DALNET's server administration fee with the WSU Computing Center at $25,000 and charge DALNET an overhead rate of $60,000. DALNET's portion of the Treasurer's salary will be included in the 04-05 overhead fee.

In response to the budget scenarios staff prepared for the meeting, the Board asked the Executive Committee to examine Option B, Alternatives 4 and 5 for action at the January Board meeting.

Board continues host site investigations

Upon a motion by David Murphy, seconded by Margaret Auer, the Board voted unanimously to continue investigating host site options by convening a DALNET Host-Site Task Force. This group is to review host site options and prepare recommendations for an upcoming Board meeting. Task Force members are: Deborah Adams, Margaret Auer, Jerry Bosler, David Murphy, Mary Ann Sheble, Nancy Skowronski and Sandy Yee. Michael Piper will staff this group.

DALNET Board approves bylaws for MiLE Governance Board

Next the Board considered draft bylaws for the MiLE Governing Board. This group will supersede the MiLE Steering Committee. It will manage and control the Michigan Library Exchange, the customer-initiated interlibrary loan service sponsored by DALNET and two other consortia.

During the September meeting, Board members requested clarification on issues related to the proposed MiLE bylaws. In a memo distributed before the meeting, staff provided clarification on these topics, as follows:

1) If MiLE Governing Board members resign before their terms expire, should the Bylaws specify that their replacements will fill the remainder of each departing member's term?

> If someone resigns from the MiLE Board, that representative's sponsoring consortium will appoint someone to fill the remainder of the departing member's term. Section 2-e of the MiLE Bylaws has been revised the to reflect this.

2) More clarification is needed concerning the duties of MiLE Board, especially negotiating contracts and authorization to pursue grants.

> This clause refers to the MiLE Board's ability to negotiate contracts and service level agreements, primarily *with existing partners:* DALNET, SLC and TLN. Each MiLE Board member represents one of the three participating consortia. So the assumption is that before the MiLE Board acts on any initiatives, the DALNET, SLC and TLN boards of directors will have approved them.

3) The MiLE Governing Board's relationship with The Library Network, MiLE's fiscal agent also needs clarification.

> The Bylaws reflect a continuation of the existing arrangement, in which TLN operates at the MiLE fiscal agent. For the MiLE Board's first meeting, on 3 December 2003, TLN is developing a service agreement that will delineate The Library Network's responsibilities and compensation.

After reviewing the proposed MiLE bylaws, the Board unanimously approved the MiLE Governing Board Bylaws, on a motion by Karen Tubolino, with a second by Nancy Bulgarelli.

DALNET Board re-elects current officers

The Board elected the following officers for service through 30 September 2003:

- Chair: Jerry Bosler, Macomb Community College
- Vice-Chair: Nancy Skowronski, Detroit Public Library
- Secretary: Steven Bowers, Rochester College

Board approves September 2003 meeting minutes

The Board approved the minutes for the 29 September 2003 Board meeting. These minutes are posted in the "Services to Members" section on the DALNET Web site.

Next DALNET Board of Directors meeting: 26 January 2004

The next DALNET Board of Directors meeting will be from 1:00 PM until 4:30 PM on Monday, 26 January 2004, at a location to be determined. Details will follow. Other upcoming DALNET Board meetings are scheduled at 1:00 PM, at sites to be determined, on these dates: 22 March 2004, 24 May 2004, and 26 July 2004.

DALNET Board members present

Deborah Adams	Botsford Hospital
Crystal Agnew	Marygrove College
Margaret Auer	University of Detroit Mercy
Jerry Bosler	Macomb Community College
Steven Bowers	Rochester College
Nancy Bulgarelli	William Beaumont Hospital Library
Marilyn Dow	Detroit Medical Center
Cathy Eames	Detroit Medical Center
James Flaherty	Wayne County Community College
Cathy Genematas	Benson Research Center, The Henry Ford, Dearborn
Laura Mancini	Oakland County Law Library
David Murphy	Walsh College
Jennifer Moldwin Gustafson	Detroit Institute of Arts
Mary Ann Sheble	Oakland Community College
Nancy Skowronski	Detroit Public Library
Karen Tubolino	Department of Veterans Affairs Medical Center
Sandra Yee	Wayne State University

DALNET staff

Duryea Callaway	Elaine Hendriks	Michael Piper
Anaclare Evans	George Marck	Negib Sherif
Robert Harris	Scott Muir	Jackie Wrosch

Draft meeting minutes submitted 21 November 2003 by Elaine Hendriks and Michael Piper.
Approved by DALNET Board: XXXX.

DALNET Board Meeting Minutes: Monday, November 17, 2003

Agenda Additions:
1. Meetings for next year
2. New Board Officers

Approval of Sept. Board Meeting Min: Margaret (1), Steven (2) – Margaret called question – Minutes pass

Jerry: Opening Statement
- Dalnet is changing
- Jerry has brochures (Draft Copy) for Board Inspection
    - Worked on by Vision Team
    - There is a lot of work that has been ongoing all along, and so yes awe are pre-occupied by an ILS, but then there are also ongoing projects too that we could hear updates at the next Board Meeting that define DALNET on top of the ILS
    - We're impacted by events, especially economic, but I'm reminded of other things we've been involved with in the past, SEMLOL (how we did info pass and reciprocal borrowing)
    - Then DALNET came along and we've put this together, and there's been improvement, and we are evolving today
    - Corporations in order to survive have to change, and we are doing that
    - The large systems need to have their own systems in order to operate, and so DALNET is in flux again today
    - There are many points to consider, and so we come together to discuss it
    - For example; Horizon is a labor intensive and cost extensive system
    - It's very good that we have an option to take another year
    - Take a look at the pamphlet
        - What does the mission mean to us
        - Different objectives that we have set
        - Last page: 8 million item records, almost 1 million borrowers, and circulation is very high
        - Back is a map, we do make up the Metropolitan Detroit area – how do we address that in long term decisions and influences

REVIEW OF PROPOSALS
(Michael) – Check your flip chart (PAGE 1)
- WSU NEW PROPOSAL
    - FY 2004 –05 "Transition Year"
        - Implement any choices that the Board makes now to then
        - Sandy wants DALNET to be able to make a deliberate decision, gives more time
        - WSU is proposing to assign Anaclare to DALNET during that year
        - CAP server admin. Fee at $25,000 (DALNET would pay first $25,000 and WSU would pick up the rest of that)
            - Currently running approx. $4000.month
        - Overhead: flat fee of $60K a year

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- Implementation year (for choices make in this fiscal year)

DISCUSSION
- SANDY: There are numerous members of the Executive Committee here that can respond as well
- JIM: How are we going to fashion a new contract
- DAVE: What's the plan if a server goes down?
- MICHAEL: The servers are 5 years old; we pay about 60 thousand dollars a year for maintenance on the servers. The equipment is nearing the end of its life. I think that would be one of the things we would look at during the next year. I would think early on you would want to look at a new server. Price: approx. 130,000/ or so. That's before the education discount, but it's a ballpark figure.
- SANDY: This would be good for the DALNET staff to decide on what the server needs to have
- JEN: thank you for this fine offer
- JERRY: The majority of the Board feels that way, the offer is very generous...thank you...One thing about the change up, we are talking about putting the different databases on one server, I'd be interested to see what that looks like.
- MICHAEL: If we combine the databases into one database, we will save costs...less time for George, less time for upgrades, less money spent on the 18 databases...the downside is the record ownership, we think that currently Dynic is able to do this. ONE DATABASE. There would be a migration involved, so you are looking at a migration at any of these scenarios we will be reviewing.
- JIM: The 30 September 2004 for looking at new host site is too late for me
- MICHAEL: Let's get to some other things first...my approach is that we regard Anaclare as a consultant during that time period, and she can train a new systems librarian so we can hit the ground running.

TIMETABLE
- UPCOMING MILESTONES (FLIP CHART PAGE 2)
    - Board approves fees, 04-05
    - Board approves budget, 04-05 (
    - Bylaws Revision
    - Conference call with TLN member (**Kevin Brandon 11/18/03**)
    - **12/8:** Executive Committee Meeting
    - Work begins on contract w/ WSU
    - DALNET host team's research
    - TLN and WSU proposals
    - Board selects host site
    - Implementation period
    - Budget for 05-06

DISCUSSION
BOB: Need to do Budget before the fees...can't do fees w/o a total budget
MICHAEL: We really need direction from the Board on the Budget – we still have some homework to do on this...I'm not sure we are prepared to develop a budget today.

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(MADE NEW FLIP CHART – OPTIONS 1 & 2)

DAVID: We can be objective w/o knowing how much the outcome is. We need figures before we can make decisions

MICHAEL: The revenue projections are based on the amounts of revenue that are generated currently aside from DPL and WSU, 2ndly they're based on the assumption that price stability remains, therefore, none of the projections are more than 10 percent increase a year. To cushion the implementation of the new fee structure, you tap into your reserve fund to moderate the new fee structure.

(FLIP CHART) Revenue, Reserve, Total

MARGARET: One of the ways to make that differential smaller is to look at the institutions that are taking a cut in 04-05 and make the cut smaller.

SANDY: Detroit Public Schools?

Bob: We haven't received payment

MICHAEL: I haven't contacted them. Zeroed them out and if we hear from them, we will add it on as a bonus...they haven't paid for this year yet.

--- Discussion on Board Reserve Fund Policy ---

JERRY: Initially we thought the Reserve Fund will be on the ILS change, so now we are talking about using it on operations and how will this move us forward, we need to do this deliberately.

BOB: 600 thousand is in addition to what we have not paid on the Dynix agreement...the 100 thousand would have to come out of the 600 thousand, so our range is between 500 and 600 thousand

DAVID: If we use the Reserve Fund now, it may not be there when we need it to migrate or move or whatever.

MARY CARR: Has this budget been configured to WSU's offer

MICHAEL: Anaclare is at no additional cost.

DAVID: Can we look at an option where an institution might elect to pay more? Much like this year, once we decide what we are going to do...certain institutions can elect to pay more with the understanding that there is a pay break when they change.

BOB: That option's always been there for equipment fund

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SANDY: Can it become a part of the operating fund?

BOB: If a member were contributing an additional amount, it would be held for them, but not in an Operating Account.

MARGARET: Can I assign it to the operating fund? To close the gap in the reserve fund instead of using the reserve fund?

MICHAEL: It sound like we need to get a handle on what the shortcoming might be.

MARGARET: We do our number in December
Nancy B: Need a range (10 – 15%)

Jim: When I look at the proposed DALNET fees
- Eliminated: Director's position
- This is only 1 of 5 proposals

MEMO: DATED November 12, 2003

DISCUSSION
- SANDY: My suggestion would be to, basically Jim is saying that he would like people to take a look at the budget, fixed costs, and then determine the amount of money needed for staff, then staff the org. based on the levels of skill needed on the staff.

(MADE NEW FLIP CHART)

- Michael: How important is price stability? What constitutes a legitimate expenditure from the Reserve Fund? What skill set are members willing to pay for?
- KAREN: According to Alt. 1 – there's 4 circles there, but covers 3 positions CORRECT
- KAREN: 411 thousand? What's the increase
- MICHAEL: The rest is from the reserve fund
- JERRY: We won't spend everything we have in this year's operational budget – we probably need to get a report on the money saved at the close of the fiscal year at the next Board Meeting
- MICHAEL: Bob will pull figures from under expenditures from last year. In the current fiscal year, we will save money from Authority control, and contingency funds if we don't spend them – We need your guidance to work on this some more
- DAVID: Would it be helpful for some narrative document w/ every institution and their set of circumstances in writing.... in terms of what we can do.
- JERRY: There has to be some kind of a base, the base is along the lines that he has provided us.
- JENN: We still need to know about ILS and such – the offer that Sandy's given us so we can really assess where we want to go.
- MARGARET: We're talking about 04-05 right now, what are we going to need for 04-05 skill set

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- DAVID: They type of system we use is of secondary importance to me; I'm concerned about stability and computer architecture. There may be other libraries that are smaller and don't mind Horizon, but it's of secondary importance because I have to maintain fiscal and staff stability at my library, as well as equipment.
- MARGARET: What the institution can bear might be more than these fees – for example Nancy S. might be able to give more than this 5000 it might be more like 15 thou. – If we can give more, we may help decrease that gap...smaller decrease, not as significant.
- MARY ANN: How far in the hole would we be if the libraries were billed for their fair share. We pay 30 thousand less than we should be, if you put the new fee into effect, or a modification of it, is that another approach that we would want to talk about. I feel reluctant to dip into the reserve funds.
- MARGARET: How would your institution react?
- MARY ANN: We are in a bit of a padding this year, so I have more flexibility this year and there may be other members that do as well.
- LAURA: I have flexibility to pay more if we have a strategic plan in place and a goal - but I can't justify it for something 'long term'

MICHAEL – DAYMN...this is a really wonderful sign...these people are willing to pay more to make DALNET work. You need to find out how much more all of them are willing to pay and for what....DAYMN...be flattered...I sure am.

- MICHAEL: We need to find out where DALNET is and where they will be in 04-05
- MICHAEL: How do we fund this TRANSITION YEAR
- CATHY E: I'm confused about the transition year, in my mind what is going to happen is that we are going to change ILS, not just the host site, what skill set we need in 04-05 depends on what skill set we need in 05-06...I don't know how to do the budget if we don't know the big decisions.
- JIM: If we go to TLN, we got to SIRSI, if we stay w/ Dynix we stay here, if we stay at WSU and go w/ III, we need to know
- MICHAEL: Any of WSU options mean you are running your own ILS.
- JERRY: What is the appropriate staffing? What is the appropriate support? What system will we be on? What is a dollar and cents amount can we apply to this? That strategic plan is in the pamphlet I handed out earlier. If you stay at DYNIX, you stay at WSU, if you decide on Innovative, you can stay at WSU or MSU, if you decide on TLN, you're looking at SIRSI – What system are you after, what host site are you after, and what are you looking at for the future of DALNET.
- Nancy S.: In 04-05, WSU will not be a member playing at that point, so your skill set will change.

MICHAEL: What other instructions would you like to give to Budget Task Force?

SANDY: It seems to me, the strategic plan says that we want DALNET to be more than an ILS, and for some members, we've determined it's more than an ILS, but for core members, the ILS is a core service. Then we need to put our focus on the ILS. One of the things that need to happen today, people need to reaffirm that that ILS is the core of

DALNET. And we need to have a strategic plan that says in the future it is more, but for now, running a shared ILS system is priority number one.

What do we want DALNET to be, and how much are we willing to pay for DALNET to be what we want to be?

Steven: I would rather not go back to Budget – I'd rather make a decision today. I think we need to get through 04-05 – I don't see how we can get through w/o a Director. If we don't have a Director, who's our contact for state-initiatives...we need a Director to run initiatives beyond the ILS. I would like to make a decision today, we can build the budget and cut out money 6 months from now, and there's other things we can do in the future.

MOTION: Amount of Money or Amount of Staff first? (Steven put motion on the table)

CATHY: We have to do something, there are a lot of people's professional careers hanging in limbo, we have to do something and do it today.

POSITIONS NEEDED IN 04-05 (Transition/Migration)
PRIORITY #1
- Director
- 2 Systems Librarians
- System Administrator
- Web Developer
- Secretary (Would be nice)

We could go to a union Database sooner, and then use the skills of the staff to generate income

There's a list of services, and Web Development is one of them.

** ELAINE LIST**
Questions Posed and Not Answered:
1. Can we work with the $446- budget?
2. What within this budget do you like/hate/want changed?
3. ILS System
4. Staffing the Board deems necessary to keep.

MOTION: Executive Session – Passed!!!

12:38 p.m. – Executive Session Begins
1:46 p.m.: Michael Piper Enters Executive Session
2:16 p.m.: Executive Session Ends

(STEVEN'S NOTES)

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- Board instructing BTF to provide/examine further information on option B Alternatives 4&5. Instruction to EC instead of BTF to be done by next Board Meeting
- Motion J. G-M, Second D. Adams to accept WSU's offer (ACCEPTED)
- Proposal to set up "DALNET Host-Site Task Force"
  - MOTION: David Murphy
  - 2nd: Margaret Auer (PASSED)
  - CHARGE: includes possibilities to look at other options outside of WSU & TLN
    - VOLUNTEERS
      - David Murphy
      - Sandy Yee
      - Mary Ann Sheble
      - Margaret Auer
      - Nancy Skorownski
      - Deborah Adams
      - Jerry Bosler
      - Michael Piper
- DPL is going w/ SiRSI (separate from TLN)

2:25 p.m (Staff rejoins meeting)
- Chair's Report: MiLE
  - 40 thousand a year
  - MiLE is beneficial
  - Bylaws are here

DISCUSSION:

Note to MiLE Board: Anywhere it states the 3 consortia, in the future should be changed to something more general (like 'the consortia') to open the possibility of other consortia joining MiLE

MOTION to pass bylaws: Karen, 2nd: Nancy (PASSED)

MOTION to retain Board Officers – '03-'04 – Sandy (Move), Jen (2nd) (PASSED) – Current Board Remains

NEXT SET OF BOARD MEETINGS
- January 26, 2003: 1:00 – 4:00
- March 22, 2003: 1:00 – 4:00
- May 24, 2003: 1:00 – 4:00
- July 26, 2003: 1:00 – 4:00

Next meeting (DALNET STAFF) – Strategic Plan, Financial Report, Host Site Task Force (List of what we're looking for), Approve 04-05

12 November 2003

TO: **DALNET BOARD OF DIRECTORS**

FROM: Michael Piper

SUBJECT: Background for 17 November 2003 Board meeting

DESIRED ACTION: As shown below

This memo provides background about several issues on Monday's Board meeting agenda, as follows:

Host site cost scenarios (Agenda item 3)

At last week's Executive Committee meeting, Sandy presented several proposals, which are outlined in the attached summary of the Executive Committee's meeting. On Monday, the Board will have an opportunity to discuss these proposals. We'll also review TLN's preliminary host site proposal (which is attached) to identify issues in need of clarification.

WSU suggests using fiscal year 2004-05 as a one-year transition period. During this transition period, Wayne will continue as the DALNET host site. In keeping with this proposal, the Executive Committee suggests convening a joint DALNET-TLN committee to explore possible host site arrangements with The Library Network.

The Committee suggests that this team complete its work soon, and that DALNET then use next year, 2004-05, as a "transition year" for implementing any decisions made in 2003-04. The Executive Committee has prepared a timetable, which is also in the summary of last week's meeting. We'll discuss the Executive Committee's proposed timetable Monday.

Requested actions: Appoint the DALNET members of a TLN-DALNET committee to explore possible host site arrangements with The Library Network. Approve timetable

2004-05 DALNET budget preparations (Agenda item 4)

The Board needs to approve a budget for fiscal year 2004-05. However, the Budget Task Force and the Executive Committee need to do additional work on this.

At this stage, DALNET members need to know how much their fees will be so they can plug these numbers in to their budgets. So Monday, I propose that the Board approve DALNET's 2004-05 **fees**, and ask the Budget Task Force and the Executive Committee to submit the completed budget at your next meeting.

These proposed 2004-05 allocations implement recommendations from the Cost Allocation Task Force. The table below shows these proposed fees.

Imposing the resource-based formula proposed by the Cost Allocation Task Force will necessitate adjustments for several members. Under this approach, these adjustments are implemented as follows: fee reductions are implemented immediately; however, fee increases are capped at no more than ten percent per year, for price stability.

Proposed DALNET Fees for Fiscal Year 2004-05			
	FY 02/03 Allocation	Approved FY 03/04 Allocation	Proposed FY 04/05 Allocation
Botsford Hospital	$8,035	$7,575	$8,215
Detroit Institute of Art	$18,767	$17,693	$17,317
Detroit Medical Center	$56,283	$50,113	$29,785
Detroit Public Library	$457,671	$416,023	$5,000
Detroit Public Schools	$8,035	$7,575	$0
Henry Ford Museum Greenfield Village	$9,940	$9,371	$9,776
Macomb Community College Library	$56,299	$53,077	$54,198
Marygrove Library	$17,695	$16,682	$18,350
Mount Clemens Hospital	$8,327	$7,851	$8,047
Oakland Community College Libraries	$61,657	$58,127	$63,940
Oakland County Law Library	$8,035	$7,575	$8,166
Rochester College	$13,813	13,022	13,348
University of Detroit Mercy	$117,414	$108,314	$102,325
VA Medical Center	$8,035	$7,575	$8,333
Walsh College Library	$18,767	$17,693	$16,904
Wayne County Community College	$29,480	$27,792	$29,213
Wayne State University	$803,848	$730,698	$5,000
William Beaumont Hospital Libraries	$13,409	$12,641	$13,810
Reserves	$31,540	$2,948	$34,624
	$1,747,050	$1,572,345	**$446,349**

Requested actions: Approve proposed FY 2004-05 proposed fees. Ask the Budget Task Force and the Executive Committee to submit a completed budget at next DALNET Board meeting.

Clarification concerning the proposed MiLE Bylaws (Agenda item 5)

During the Board's September meeting, you requested clarification on these issues related to the proposed MiLE bylaws:

1) If MiLE Governing Board members resign before their terms expire, should the Bylaws specify that their replacements will fill the remainder of each departing member's term?

If someone resigns from the Board, that representative's sponsoring Board will appoint someone to fill the remainder of the departing member's term. We've revised the Bylaws to reflect this. (See Section 2-e in the revised MiLE Bylaws attached.)

2) More clarification is needed concerning the duties of MiLE Board, especially negotiating contracts and authorization to pursue grants.

This clause refers to the MiLE Board's ability to negotiate contracts and service level agreements, primarily *with existing partners:* DALNET, SLC and TLN. Each MiLE Board member represents one of the three participating consortia. So the assumption is that before the MiLE Board acts on any initiatives, the DALNET, SLC and TLN boards of directors will have approved them.

3) The MiLE Governing Board's relationship with The Library Network, MiLE's fiscal agent also needs clarification.

This is a continuation of the existing arrangement, in which TLN operates at the MiLE fiscal agent. For the MiLE Board's first meeting, which has been moved to 3 December 2003, TLN is developing a service agreement that will delineate The Library Network's specific responsibilities and their compensation. What specific clarification would Board members like to have concerning TLN's role as MiLE fiscal agent?

Prepare 2004 meeting schedule for the DALNET Board and Executive Committee

It's time to prepare your meeting schedule for 2004, so please bring your calendars. Do you want to continue meeting on Monday afternoons, by the way?

Bylaws
Michigan Library Exchange (MiLE)

Article I. NAME

The name of this organization shall be the Michigan Library Exchange (MiLE).

Article II. PURPOSE

The purpose of this organization shall be to meet the information needs of the library users of the member institutions through cooperative activities and services.

Article III. PARTICIPANTS

Section 1. Membership in this organization shall consist of the Detroit Area Library Network (DALNET), Suburban Library Cooperative (SLC), and The Library Network (TLN).

Section 2. Libraries desiring membership shall submit signed statements indicating their intention to participate to the appropriate consortia participating in MiLE.

Article IV. GOVERNING BOARD AND OFFICERS

Section 1. The Board of the Michigan Library Exchange (MiLE) shall manage and control the Michigan Library Exchange.

Section 2. The Board of the Michigan Library Exchange shall consist of three voting representatives from each of the three participating consortia and a non-voting seat for the fiscal agent.

a. There shall be a chair, vice-chair and a secretary.

b. The officers will serve one-year terms.

c. Election of officers will take place at the first meeting of the fiscal year.

d. The term of each representative will be for three years, except for the first year, with one representative from each consortium serving one year, one representative serving two years, and one representative serving three years.

e. If someone resigns from the MiLE Board, that representative's sponsoring consortium will appoint a replacement to fill the balance of the departing member's term.

Section 3. The Board Chair shall preside at all Board meetings. The Board Vice Chair shall act in the absence of the Board Chair, and shall perform such other duties as the Board or

Board Chair may assign. The Board Secretary shall be responsible for all minutes and records of Board meetings, preparing the annual report, and for other duties as assigned.

Section 4. The Board shall meet at a minimum quarterly and at such other times as the activity of the organization shall necessitate. As circumstances warrant, the Secretary may conduct a ballot by electronic mail when authorized by any two Board officers.

Section 5. A quorum shall consist of at least five (5) Board members.

Section 6. Special meetings may be called by the Chair at the request of any member of the Board.

Section 7. None of the powers granted to the Michigan Library Exchange Board shall deprive any member of any of its powers, funds or property.

Article V. DUTIES OF THE MiLE BOARD

The Michigan Library Exchange Board is responsible for governing the MiLE organization. This includes:

- Establishing annual priorities for MiLE, setting allocations for services by 1 July of each year, and developing an annual budget to support the organization's priorities.

- Strategic planning.

- Maintaining ongoing communications with MiLE participating consortia, the Library of Michigan and other stakeholders. This includes promulgating an annual report by [date] of each year.

- Negotiating contracts and service agreements, in consultation with MiLE's sponsoring consortia.

- Identifying grant opportunities.

Article VI. FISCAL MATTERS

Section 1. The fiscal year for the Michigan Library Exchange shall be October 1 to September 30.

Section 2. The fiscal agent shall be The Library Network.

Article VII. COMMITTEES

Committees will be established at the discretion of the Board.

Article VIII. AMENDMENTS

Amendments to these bylaws may be made by a two-thirds vote of the Board at a regular meeting or a meeting called specifically for that purpose, provided that notice of the proposed amendment has been given in the notice of said meeting.

Article IX. RESIGNATION OR TERMINATION

Section 1. MiLE equipment, software and other assets belong to the collective MiLE membership. Any participating consortium may end its membership with six months notice. When a consortium ends its membership, MiLE property reverts to the remaining members and is held in common for their collective benefit.

Section 2. If all three consortia decide to dissolve MiLE, the organization's assets shall be distributed among the participating consortia by mutual agreement.

29 October 2003

TO: **DALNET EXECUTIVE COMMITTEE**

FROM: Michael Piper

SUBJECT: DALNET host site proposal from The Library Network

DESIRED ACTION: Background for making a recommendation on this topic at 17 November meeting

This document offers **preliminary** information from The Library Network concerning possible host site arrangements for DALNET. TLN is interested in exploring enhanced partnership opportunities with DALNET, including three co-location or consolidation options:

- A **Site Hosting** alternative, which would support DALNET as an autonomous operation located in TLN's building. Although this option affords more independence for DALNET, it has higher start-up costs, since it necessitates buying a separate server and ILS application.

- The **Menu Service** option. Under this approach, DALNET would become a department within TLN, and DALNET staff would be TLN employees. DALNET member databases and TLN member databases would be hosted separately on the same TLN server. This saves upfront costs.

- An **SAS** (Shared Automation System) approach. SAS is similar to the Menu Service alternative. However, instead of a separate database for DALNET members, the SAS option entails merging the TLN and DALNET databases into one union catalog. TLN believes this will result in lower ongoing costs.

Under all three approaches, TLN would provide server and ILS application support, as well as fiscal and payroll services and space rental for DALNET. The chart on page 1 highlights the distinctions between these alternatives. Subsequent pages offered detailed responses to questions that came up during the Board's discussion of this topic last month.

Proposed next step: TLN still needs to consult with their stakeholders, and they are still awaiting information from Sirsi as well. To move this forward, I recommend that the Executive Committee authorize a TLN and DALNET team to explore these opportunities, and to negotiate a proposed agreement for discussion and approval at an upcoming Board meeting.

	Site Hosting Option	Menu Services Option	SAS Option
DALNET pays TLN to run servers and ILS, eliminating needless duplication, and enabling DALNET staff to focus on member services	Yes	Yes	Yes
DALNET has its own separate legal identity	Yes	No	No
DALNET owns its server and Sirsi ILS license	Yes	No	No
DALNET staff are employed by DALNET	Yes	No	No
DALNET and TLN databases are separate	Yes	Yes	No
DALNET buys added capacity for TLN's server and ILS license, then pays TLN to run them	No	Yes	Yes
DALNET is a TLN department and DALNET staff become TLN employees	No	Yes	Yes
DALNET and TLN databases are merged into one union catalog	No	No	Yes

Function	Site Hosting Option	Menu Service or SAS Options
Organization and governance	DALNET would maintain its own separate legal identity and contract with TLN for services. As such, TLN would participate in DALNET Board and user group activities as requested. DALNET would have no official position on The Library Network's Board of Directors.	This can work within TLN's current structure. DALNET rep would serve as a liaison appointment to the TLN Board. Though able to speak and address issues on the Board agenda, the DALNET rep would not have a vote. This is how Public Act 89 of Michigan law structures cooperatives. DALNET bylaws, fee structure, and rules would be recommended to the TLN Board, which then votes to accept, revise or deny. If DALNET were to integrate with the SAS, they would be incorporated into the existing SAS structure (although that might be an item that could be negotiated if desired),
Finances	TLN would provide fiscal services, including budgeting, reporting, day-to-day banking, bill paying, accounting and other fiscal services.	This would work in the same fashion as all current TLN Menu Services. The users of the service see, discuss and have input on the budget. They vote on the budget and forward it to be part of the total TLN budget, which is then voted on by the TLN Board.
Overhead	TLN would provide a detailed quote for DALNET outlining the services TLN could provide and the costs associated with each. Where possible direct costs (i.e. rent) would be broken out and identified separate from indirect costs.	Overhead, distribution of indirect TLN operating costs, would be allocated as defined by existing TLN practice. Subsequent sections of this document address other aspects of overhead identified by DALNET.
Brand identification	DALNET brand name migrates with the organization to the new host site	DALNET would be the name of the Menu Service.

Function	Site Hosting option	Menu Service or SAS Options
Staffing	DALNET staff would be governed by policies and procedures adopted by the DALNET Board. TLN could provide payroll, insurance and benefits services under contract.	DALNET staff would become TLN staff. They would be members of the appropriate union, determined by job description. They would be part of the wage and benefit packages described in collective bargaining agreements. DALNET Coordinator (the job title that is consistent with the TLN Shared Automation System structure) would participate in the selection of staff for DALNET services, but the TLN Director would make the final choice and offer the position to the selected candidate. The DALNET Coordinator would be a TLN Department Head.
DALNET Director	Serves at the pleasure of the Executive Committee, and reports to that group on strategic issues. Coordinates day-to-day administrative operations with director of host site. Host site director participates in performance appraisal with Executive Committee Chair. Evaluation incorporates 360-degree input from Executive Committee and DALNET staff	In the Menu Service model, job titles would conform to those in the collective bargaining agreements for consistency and clarity. Thus, the DALNET Coordinator position would be governed by the collective bargaining terms and would report to the TLN Director. The Executive Committee of DALNET would have input on annual goals set for the Coordinator, but would not have the authority to hire or fire the Coordinator. TLN Director could elicit 360-degree input, but would determine how that information would be used during the evaluation process.
DALNET staff skill set	DALNET team responsible for strategic plan implementation, ILS customer support, Web development and digital and new technologies. Reports to DALNET Director	This would follow the menu service model. The TLN Director and TLN Board will need to be part of group that accepts strategic plan goals before implementation.

Function	Site Hosting option	Menu Service or SAS Options
ILS application support and server administration	There will be operating costs that can be identified, not as indirect overhead, but as directly attributable to DALNET operations. Such costs will be budgeted and billed to DALNET on a quarterly basis.	There will be operating costs that can be identified, not as indirect overhead, but as directly attributable to DALNET operations. Those costs will be part of the DALNET annual operating budget identified as the expenses of providing that menu service.
Office space	Rent would include sufficient contiguous square footage as well as access to conference rooms, training facilities and staff room.	In the Costing Project document, space is treated in two pieces. (1) An actual amount determined by multiplying square feet of space occupied for DALNET purposes and identified as rent, which all Menu Services include as part of their operating expense. (2) An amount determined as part of the indirect overhead allocation, which relates to common areas used by both TLN and DALNET, such as meeting rooms. DALNET would be able to reserve meeting room and training spaces as needed for its purposes. Menu services also use space at member libraries for meetings.
Payroll and benefits	Payroll and benefits administration would be billed at a negotiated percentage over actual costs.	As a Menu Service this support service, preparation of payroll and access to benefits, is provided by TLN and included in the overhead allocation. The actual cost of wages and fringe benefits will be part of the DALNET annual budget – just as it is for the other Menu Services.

Function	Site Hosting option	Menu Service or SAS Options
Fiscal services	Fiscal services (as defined earlier) would be billed based on a percentage of DALNET's budget.	The monthly reports will be identical to those provided to the TLN Board. DALNET members and staff will see their operations reflected as part of the complete TLN financial picture. DALNET will appear as a separate department. If DALNET requires a separate audit to present to its members, the cost will need to be built into the budget.
Desktop computer support	DALNET maintains its own assets. TLN provides contracted services for PC and network maintenance and support.	The Menu Service model that was described in the TLN proposal assumed that software and hardware would be accounted for as being located or used for DALNET, but owned by TLN for purposes of the annual audit. Should DALNET depart for another host site, the subscribers to the DALNET service would negotiate which software and hardware would move to the new site. Records would clearly identify which had been paid for with DALNET funds during the time that the DALNET service resided at TLN.
Legal counsel	This would need to be included as an expense line in the DALNET operating budget, based on past experience and projected need.	This would need to be included as an expense line in the DALNET budget, based on past experience and projected need. Each TLN menu service allocates funds in their operating budget for this purpose. Line item 802 is used for this purpose.
Who would sign contracts?	DALNET Director or DALNET Board Chair	TLN Director or Board Chair

Function	Site Hosting option	Menu Service or SAS Options
Secretarial support	Secretarial – clerical support will need to be part of the DALNET annual budget. DALNET may wish to contract this service out to TLN. In such a case, TLN would provide a quote based on actual costs.	Secretarial – clerical support will need to be part of the DALNET annual budget. To the degree that budget support is provided by DALNET in its operating budget, TLN can provide or hire staff for the number of hours required. It is common for TLN Menu Services to share staff. They budget for the number of hours each requires, thus permitting a full time person to split a day or days in a week among the Menu Services. This is reflected in each Menu Service annual budget as part of their salary and fringe line items.
Professional development and travel	Included in DALNET budget as approved by Executive Committee	The current practice for Menu Services includes budgeting for training and professional development. The goals set for each Menu Service are usually supported by needs for training and professional development opportunities. The collective bargaining agreements also include funds for this purpose.
Utilities	Internet, phone lines and phone sets specifically used for DALNET would need to be included as a line item in the DALNET budget, based on past experience and projected need. HVAC, water, electricity and the communications system within the building are included.	Internet, phone lines and phone sets specifically used for DALNET would need to be included as a line item in the DALNET budget, based on past experience and projected need. Each TLN menu service allocates funds in their operating budget for these purposes. HVAC, water, electricity and the communications system within the building are covered by overhead.

Function	Site Hosting option	Menu Service or SAS Options
Equipment	Included in DALNET budget. DALNET buys servers and other equipment as needed, which then belong to DALNET	The current practice for Menu Services is that each budget includes equipment and software that are needed for that service. The equipment, though easily identifiable as "belonging" to that service, legally is the property of TLN.
ILS application license	Should DALNET contract for fiscal support services, TLN will buy, with funds provided by DALNET. ILS license transfers with DALNET	As described above, the current practice for Menu Services is to record what has been purchased for provision of each service. Should a Menu Service leave TLN to become independent, or to locate at a different site, the purchase records will support negotiations for what moves with the service.
ILS server and associated equipment	Host site buys, with funds provided by DALNET. Equipment belongs to DALNET	As described above, the current practice for Menu Services is to record what has been purchased for provision of each service. Should a Menu Service leave TLN to become independent, or to locate at a different site, the purchase records will support negotiations for what moves with the service.
What is a realistic timeframe for moving to TLN?	TLN has office space available late this year and would be open to any schedule needed by DALNET.	Integration of DALNET into TLN as a separate Menu Service would require planning, but could be accomplished fairly quickly. Integration of DALNET into the existing SAS would require more time for planning and negotiation. TLN would want to bring its current members up on Sirsi first, which is expected to occur in April 2004. Then DALNET members could be incorporated into the database.

Function	Site Hosting option	Menu Service or SAS Options
Uptime performance	TLN's shared system libraries had an uptime of 99.6 percent in 2002. TLN expects a slight increase in down time this year due to the power outage in August, but the overall figure should be similar. Uptime for 2001 and 2000 were 99.86 and 99.3 respectively. Please keep in mind that these statistics do not take into account member library network connections to TLN, as we have no control over them. TLN rarely has telecommunications-based outages ourselves. [Note: 99.6 percent uptime translates into 35 hours of total downtime in 2002. This is comparable to DALNET's uptime performance in 2002.]	
TLN's motivation for partnering with DALNET	TLN is intrigued by the possibilities that a closer relationship with DALNET might allow. We anticipate a change in state law sometime in the future that will create multi-type library cooperatives in Michigan. We see working with DALNET as an opportunity to explore new avenues for improving library services to residents of southeast Michigan, while developing a model for the future. That said, TLN had not previously considered this type of arrangement and are doing so now, at DALNET's request. If DALNET is interested in pursuing a relationship with TLN in the future we invite a team of TLN and DALNET members and staff to work together to more fully explore the exciting possibilities. That would assure a smooth transition for everyone. The cost figures provided to you for your consideration reflect the application of our existing formulas to a large group of new libraries. **TLN is very open to discussions about whether or not those formulas accurately reflect the way costs should be shared.** We would be very interested in talking with members of the DALNET Board, or the appropriate DALNET Board committee, if you think it would be useful in their deliberations.	