



DALNET BOARD MEETING
Tuesday, December 15, 1992, 9:30 A.M.
Dean's Conference Room, 134 Purdy Library
Wayne State University

Add to 12/15 agenda

AGENDA

1. Approval of Agenda
2. Bylaws revision
 - 1.1 Dean Frankie's suggestions
 - 1.2 Draft of revised bylaws
3. Cost sharing of the II License of MDAS
4. Date of next meeting
5. Other business

Parking will be available in the Guest Parking lot on Palmer. Lunch will be served in the Alumni Lounge at 12:15 P.M.

Enclosure: Draft of revised bylaws

DALNET BOARD MINUTES

December 15, 1992

Wayne State University

PRESENT: Jean Curtis DPL Peter Spyers-Duran WSU
Margaret Auer UDM Michele Klein Children's Hosp
Kul Gauri MCC Deborah Adams Botsford Hosp
Dick Beer OLL Sandra Martin Harper Hosp
Judy Murray OCC Joan Smith Beaumont Hosp
Sue Frankie OU

GUESTS: Louise Bugg WSU/DALNET Systems Office
Bob Harris WSU/DALNET

MINUTES: Motion was made and seconded to approve minutes of September 25, 1992 meeting. Passed.

BY-LAWS REVISION: Members reviewed and discussed Dean Frankie's paper "By-Laws Issues" an analysis of membership definition vis-a-vis minimal level participation in the online system, and votes with binding fiscal implications.

Points made were that membership status, if elected by an institution, by definition imposes a fiscal obligation. Currently, "Member institutions, at a minimum, shall participate in the online public access catalog and the circulation subsystems of the Online System." Member definition, as well as approval of the budget, requires a 2/3 vote of the Board which has representatives from each member institution. Member participation beyond this is optional and therefore, does not impose a fiscal obligation.

Point also made: additional NOTIS products or those of other vendors are reviewed by Board as part of approving the financial obligation for same. Case in point: all DALNET members agreed to acquire and prorate the cost of NOTIS Quik Reports. With 2/3 approval it (they) can become part of the definition of minimum level of participation. Such modification thereafter applies to new members and subscribers.

Article IV Section 1 - Member Institutions: With these points in mind, the last sentence was changed to read "Each Member Institution shall pay an appropriate share as determined by the DALNET Board, of the costs of managing and operating the *NOTIS Library Management System* .

Article VII Section 2 - Voting: Last sentence was revised to read "However, no decisions having a major fiscal impact on any member institution shall be binding on that institution without its prior consent, *except for those decisions that are associated with definition of minimum level participation as defined in Article IV Section 1.*"

Article VI Section 5 - Corporate Secretary/Treasurer: Was corrected to read "The Corporate Secretary/Treasurer shall be responsible for filing the organization's annual report, preparing financial reports and the *proposed* annual budget..." as approved at the last meeting.

Article VIII - Committees: Delete designation Section 1 as there are no subsequent sections.

Discussion of this article indicated that member participation was originally defined as using the OPAC and circulation modules of the online system with the goal of developing a library resources access program and policies among the participants for the benefit of the DALNET user community. Members agreed that at this point, DALNET has in place the basic automated systems for such a program. The Board's Access Committee has been doing some work toward this goal. Members affirmed their intent to pursue this goal.

MDAS: Additional institutions, DPL, OU, UDM, have agreed to participate in the second license with the Hospital and OCC libraries bringing the number to 5. At \$17,000 per institution, DALNET now has a full second license at \$85,000. Other members may also still opt to participate in MDAS. How that will impact the per institution fee for those already committed is not clear.

DATABASE VENDORS: H. W. Wilson offers all second license participants free access to the files loaded by WSU for one year from participation date. Thereafter, continued access to these files is the contractual obligation of the participant. Each vendor's fee structure is based on different factors especially for Academic institutions i.e., varying measures of enrollment or book budget and the number of files loaded. Some of these licenses also restrict access to specific categories of patron affiliation such as student, employees etc.

Peter Spyres-Duran offered to have WSU negotiate with H. W. Wilson and other database vendors for consortium level fees. A request was made that WSU also seek quotes for unrestricted access to the institutional or consortium "community".

MRLT GRANT REQUEST: WSU, MSU and U of M, the MRLT, is submitting a Title IIA grant proposal to fund NOTIS PACLink installation among them as a pilot to a state-wide system. This module will allow seamless searching of the respective catalogs. With this in place, the inter-institutional PACLoan module could be implemented. DALNET members were asked to submit letters of support to accompany the grant to L. Bugg or Bob Haley.

NEXT MEETING: Will be at 9:30 AM Wednesday, February 24th at Children's Hospital including lunch.

ADJOURNMENT: Meeting was adjourned at Noon.

Recorded by: Judith A. Murray

12/15/92

DRAFT

DETROIT AREA LIBRARY NETWORK

BY-LAWS

ARTICLE I - NAME

This organization shall be an incorporated, non-profit, non-stock association. Its name shall be the Detroit Area Library Network (DALNET)

ARTICLE II - PURPOSE AND OBJECTIVES

This organization shall function to promote and to develop cooperative programs using shared library automation applications, and to determine policy for DALNET and the DALNET Online System.

ARTICLE III - HOST INSTITUTION

Wayne State University shall serve as the host institution for DALNET, manage the day-to-day operations of the DALNET Online System according to signed member Agreements, and act as the fiscal agent for DALNET and the DALNET Online System.

ARTICLE IV - MEMBER INSTITUTIONS

Section 1 - Member Institutions. Member Institutions shall be comprised of Wayne State University and those institutions who have been approved by the Board and have a signed and valid DALNET Online System Agreement with WSU. Member institutions, at a minimum, shall participate in the online public access catalog and the circulation subsystems of the NOTIS Library Management System. Each Member Institution shall pay an appropriate share, as determined by the DALNET Board, of the costs of managing and operating the NOTIS Library Management System.

Section 2 - Subscribers. Subscribers shall be those Institutions who have contracted to participate in programs other than contributing to the online public access catalog. Subscribers shall be approved by the Board, have a signed and valid DALNET Subscriber Agreement with WSU, and pay fees determined by WSU.

ARTICLE V - BOARD AND OFFICERS

Section 1 - Composition. The Board shall consist of one representative designated by each of the DALNET Member Institutions. Alternates with proxy shall be appointed by each Member Institution as needed.

Section 2 - Officers of the Board. The officers of the Board shall be Board members holding the offices of Chair, Vice Chair, and Secretary. The Chair, Vice Chair, and Secretary shall be elected by Board membership vote, each DALNET Member Institution having one vote. The terms of office shall be one year, commencing October first.

Section 3 - Corporate Officers. The Corporate Officers shall include the President and Secretary/Treasurer. These officers shall be appointed by the Host Institution upon consultation with the Board. A Corporate Officer may concurrently hold a Board seat and/or office.

ARTICLE VI - DUTIES OF OFFICERS

Section 1 - Board Chair. The Board Chair shall be the representative of the DALNET Board in the activities of DALNET. The Board Chair shall preside at all meetings of the Board.

Section 2 - Board Vice Chair. 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.

Section 3 - Board Secretary. The Board Secretary shall be responsible for all minutes and records of Board meetings. The Board Secretary shall also be responsible for other duties as assigned.

Section 4 - Corporate President. The Corporate President shall be responsible for the administration of DALNET Online System and the administration of legal contracts in accordance with DALNET policies. The Corporate President shall report regularly to the Board.

Section 5 - Corporate Secretary/Treasurer. The Corporate Secretary/Treasurer shall be responsible for filing the organization's annual report, preparing financial reports and the proposed annual budget, and for such other duties as shall be conferred upon the office from time to time by the Board. The Corporate Secretary/Treasurer shall report regularly to the Board.

ARTICLE VII - BOARD

Section 1 - Authority. The policies of DALNET shall be determined by its Board.

Section 2 - Voting. Each Board member shall have one vote. A two-thirds majority of the total votes shall be necessary to carry actions. However, decisions having a major fiscal impact on any member institution shall not be binding on that institution without its prior consent, except for cost increases associated with minimum level membership as stated in Article IV.

Section 3 - Regular Board Meetings. Regular meetings of the Board shall be held as the Board deems necessary, with a minimum of one meeting per year.

Section 4 - Special Board Meetings. Special meetings of the Board shall be called by the Chair, or by the Corporate President, or by two-thirds of the Board members. Written notice of the meeting and the agenda shall be delivered to Board members not less than five working days prior to the meeting date.

Section 5 - Quorum. A simple majority of the Board members shall constitute a quorum.

ARTICLE VIII - COMMITTEES

Standing and Special Committees. Standing and Special Committees may be appointed by the Chair with the advice and consent of the Board. Committee actions must be approved by the Board.

ARTICLE IX - PARLIAMENTARY AUTHORITY

Robert's Rules of order, revised, shall be followed, except as they may conflict with these By-laws.

ARTICLE X - AMENDMENTS

These By-laws may be amended by a two-thirds majority of the Board, provided that notice and copy of the proposed changes has been given to the Board at least five working days prior to the meeting.

ARTICLE XI - DISSOLUTION OF ASSETS

DALNET shall not liquidate, dissolve, merge, consolidate or sell its assets, if any, prior to approval of its Board. In the event of the liquidation or dissolution of DALNET, all assets shall be distributed in proportion to investment to such DALNET institutions as are qualified as tax exempt.

ARTICLE XII - RESIGNATION OR TERMINATION OF AFFILIATION

Upon termination of its DALNET Online System Agreement with WSU, a member forfeits its membership in DALNET. The resignation or termination of any DALNET member or subscriber for any reason shall not relieve the member or subscriber from the obligation to discharge all obligations due and payable by it to WSU, including obligations undertaken for the period immediately preceding the effective date of the resignation or termination.



Kresge Library
Rochester, Michigan 48309-4401

RECEIVED
NOV 12 1992
WAYNE STATE UNIVERSITY
LIBRARY OFFICE

November 9, 1992

To: Dalnet Board Members
From: Sue Frankie
Re: By-laws Issues

Based on our discussions on November 6 I have prepared my analysis of the issues relating to voting and minimal level of participation by DALNET members.

It is critically important that all Board members are present for resolution of these issues during our meeting on December 14 or 15. If any member cannot be present, we should find a date agreeable to all of us.

I look forward to discussing all of this with you!

SOF:vl

DALNET BY-LAWS

Discussion of Issues Relating to Article VII. Section 2. Voting.

The current Bylaws provide that

"Each Board member shall have one vote. A two thirds majority of the total votes shall be necessary to carry actions. However, no decisions having a major fiscal impact on any member institution shall be binding on that institution without its prior consent. *except for cost increases associated with minimal level of participation as defined in Article IV. NOTIS Library Management System*

Clarification of Intent of the Provision underlined:

Not meant to refer to costs for minimal level of participation and appropriate share of costs of managing and operating the online system.

Meant to refer to system enhancements for other than those required for minimal participation, which, when purchased, must be made available to all DALNET members, rather than available only to members who wish to have them and can pay for them.

Argument for Retaining Provision [either in Article VII. Section 2 or elsewhere] in the Bylaws:

Acting in good faith and under the assumption that there would be only some "reasonable" increases in costs for DALNET membership, a DALNET member may find they are unable or unwilling to pay for cost increases for system enhancements, particularly enhancements which are non-mandatory, i.e., which pertain to other than circulation and cataloging subsystems (such as QUIKREPORTS).

In these cases some form of protection should be afforded to DALNET members who wish to continue to participate at the minimal level specified in Article IV. Section 1, but who lack the ability or desire to participate at a "higher level" agreed to by a vote of two-thirds majority of the other members.

DISCUSSION (Frankie Opinions):

There are two issues here which should be treated separately. The two issues are:

1. What is a reasonable level of consensus among DALNET members before decisions can be made and actions can be taken, particularly decisions which will increase the costs to members?
2. What is minimum level of participation for an institution to be a DALNET member?

1. Issue 1 - Voting. The principle of rule by majority is fundamental to the viability of the consortium. Otherwise, there is, in fact, rule by minority, and the power of any dissenting member is greater than that of all other members.

There appears to be a general consensus that for most issues requiring a vote, a concurrence of two-thirds majority is desirable, e.g. to adopt policy, to approve the budget, to admit new members.

2. Issue 2 - Minimal level of participation required for full membership.

The current by-laws appear to have two potentially contradictory provisions.

Article IV. Section 1. clearly states that:

Member institutions, at a minimum, shall participate in the online public access catalog and the circulation subsystems of the Online System. Each member institution shall pay an appropriate share, as determined by the DALNET Board, of the costs of managing and operating the Online System.

Article VII. Section 2. clearly states that:

...no decisions having a major fiscal impact on any member institution shall be binding on that institution without its prior consent.

The definition in Article IV of minimal level participation may already be obsolete, since we have added QUIKREPORTS (QR) to the software modules which all current members are paying for. The language is not obsolete if QR software falls under the

"costs of managing and operating the online system", and this phrase is a catch-all for anything which all members agree to pay for beyond the circulation and cataloging functions. Is this the intent?

If so, then indeed, all institutions who wish to remain as members are obligated to pay for all software which is not divisible (i.e., some can get and pay for and those who do not pay cannot use), if two thirds of the members vote to purchase that software for the system.

If not, and the provision in Article VII is retained, there is a danger that over time either the system will not be enhanced due to lack of all members voting to purchase "non-divisible" software desired by the majority, or the system will continue to be enhanced, but members will be paying what are increasingly disproportionate shares. This is already occurring, of course, but are safeguards needed to ensure that the situation is controlled? [As a footnote: are new members obligated to pay for a share of the cost of using the QR software?]

A more critical issue is that the implications of the provision in Article VII are that membership in DALNET beyond a minimal level, which is changing, requires an institution to pay an "appropriate share" of costs, without sufficient specificity regarding the determination of "appropriate" or minimal level of participation. With the current wording there appears to be unlimited latitude for negotiation, with shares based primarily on each member's ability or desire to pay and/or their ability to negotiate favorable terms, without regard to the share of costs borne by other members or regard to the increased capabilities the system affords the members.

In addition, since "major fiscal impact" is not defined, there is even more latitude for inequity in bearing an "appropriate share" of the costs.

Recommendations:

1. For the time being, revise the provision in Article VII to read:

Each Board member shall have one vote. A two thirds majority of the total votes shall be necessary to carry actions.

2. Include elsewhere in the by-laws (perhaps in Article IV) provisions for determining "reasonable" changes in minimal level of participation and "reasonable" increases in costs which members must be prepared to assume to retain full membership.

3. Develop guidelines for dealing with members who find they cannot afford to or do not desire to participate beyond some minimal level that is below a level desired by the majority of DALNET members.
4. Discuss options for assuring continuing viability of consortium made up of members with unequal abilities to pay/participate.

Several options for #3 and #4 above which immediately come to mind include:

a) With Board approval allow the institution to retain its full membership status while bearing a reduced share of the costs.

b) Develop one or more additional categories of membership for these institutions. Voting privileges and representation on the Board could be reduced or removed.

c) Terminate the membership and participation in DALNET if level of participation is below some minimally acceptable threshold.

SOF/November 9, 1992

DALNET BY-LAWS VOTING SCENARIOS

	Budget	
	%	Cummulative
CHM	0.35%	0.35%
Botsford	0.37%	0.72%
Oakland Co Law	0.47%	1.19%
Harper	0.56%	1.75%
Wm Beaumont	0.56%	2.31%
Wayne Co CC	1.66%	3.97%
Macomb CC	5.20%	9.17%
Oakland	5.20%	14.37%
U of D	5.98%	20.35%
Oakland CC	6.15%	26.50%
DAL	23.15%	49.65%
WSU	50.35%	100.00%
	<u>100.00%</u>	

	Budget	
	%	Cummulative
WSU	50.35%	50.35%
DAL	23.15%	73.50%
Oakland CC	6.15%	79.65%
U of D	5.98%	85.63%
Oakland	5.20%	90.83%
Macomb CC	5.20%	96.03%
Wayne Co CC	1.66%	97.69%
Wm Beaumont	0.56%	98.25%
Harper	0.56%	98.81%
Oakland Co Law	0.47%	99.28%
Botsford	0.37%	99.65%
CHM	0.35%	100.00%
	<u>100.00%</u>	