

**DALNET Finance Committee
Agenda
October 8, 1999 9:30 a.m.
University of Detroit Mercy Library
McNichols Campus**

1. Call to order
2. Approval of Minutes of August 20, 1999
3. DALNET Board Meeting: Action Items
 - a. FY 99/00 Budget
 - i. DALNET Servers
 - ii. NOTIS Termination December 31, 1999; remaining institutions individually responsible for cost.
 - iii. NOTIS Data; costs for downloading of data, e.g. for archival purposes - to be charged to individual institutions.
 - iv. Budget; grid with inflation increases - proposal
 - v. Capital Reserve Fund; transfer FY 99/00 savings from operational budget to capital reserve fund.
 - b. FY 00/01 Budget
 - i. DALNET Systems Manager Position
4. Information Provider Breakfasts
 - a. Pricing for Web links
 - b. Incentive Plan: Charter Signatories, annual fee waived
5. Marketing Proposal: Update
 - a. Pert Chart / Tracking Mechanism
 - b. Marketing Procedures for Board Members

**DALNET Finance Committee Minutes
October 8, 1999
University of Detroit Mercy Library
McNichols Campus**

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

I. DALNET Servers

The Finance Committee continued its discussion on the need to upgrade or add servers to run the Horizon software. There is an immediate need to upgrade the test server; a third Web Pak server is necessary. The WSU server will probably need to be upgraded to accommodate the new Sunrise release. Adding new member libraries and reconfiguring databases over time will also require a WSU server upgrade. The Detroit Public Library server needs to be upgraded so that it mirrors the Wayne State University server. In looking for a long term solution DALNET needs to provide room for growth on all of its servers. Upgrading servers was estimated to cost about \$300,000. Buying a new server and rotating equipment was estimated to cost about \$309,000. Financing the costs was considered.

The savings from unexpended funds during the 1998-99 fiscal year is \$286,000. Additional savings have accumulated because the project leader was hired 6 months into the fiscal year. The savings for this annually budgeted position was \$40,000.

In the meantime, the hardware specifications for the Sunrise release remain unclear. Therefore, it is too early to buy equipment. Nevertheless, DALNET will need to resolve its server situation in the near future. In order to address these issues the Finance Committee decided to make several recommendations to the Board for action. They are:

- The DALNET Board should move the savings from the 1998-99 fiscal year to a capital improvement fund so that the savings can be held for anticipated expenditures and so that the savings can generate interest.
- While additional DALNET server capacity is an immediate need, it is recommended that the Board delay addressing this issue until May when the Sunrise specifications are expected to be released by Ameritech. However, the server issue is a compelling need, the Board should expect to upgrade at least some servers during the second quarter of 2000.
- Based on what is known about DALNET future needs, it is recommended to the Board that a new, larger, server should be bought for WSU and the servers should be rotated and upgraded as follows:
 - New server to WSU (same model number) equal capacity
 - WSU server to DPL (same model number) equal capacity
 - DPL server to test server (same model number)
 - Test server to 3rd Web pack

The Finance Committee noted that the unexpended funds moved over to the capital fund must be tracked based on the tier formula. Each member institution will be credited with a percentage of the money saved based on their contribution.

II. NOTIS Termination

Board members should be informed that the DALNET / NOTIS System will be terminated on December 31, 1999. Institutions wishing to remain on NOTIS after December 31 must inform the DALNET Systems Office by November 1, 1999 so that planning can be done to accommodate the need.

III. NOTIS Data

Board members should also be informed that if members require NOTIS data for archival purposes (e. g. acquisitions or circulation records for audit trails), there will be a cost assessed for consumables, such as paper and tapes

IV. FY 99/00 Budget

The FY 99/00 Budget was reviewed; handouts were distributed. Finance Committee members considered requesting a flat inflationary increase to cover actual expenditures. In the alternative consideration was given to increasing the percentage of inflation to build in a funding pool for the capital reserve fund. The adjusted inflation increase for FY 98/99 was 1.75%. It was noted that if a 2-3% increase was recommended the additional money assessed could remain in the general operating fund until all fiscal year expenditures were paid. Funds remaining at the close of the fiscal year could be moved to the capital reserve fund. Finance Committee members recommended a 1.75 % inflation increase in addition to the actual rate of inflation. The recommended total fiscal year inflation rate would be 3.5%. A grid with fiscal year costs will be prepared for the Board showing actual costs and a choice of inflation rates (i.e. adjusted, 1.75% and 2%) The Finance Committee will recommend the 1.75% increase.

IV. FY 00/01 Budget

The FY 00/01 Budget was considered; handouts were reviewed. The Committee discussed extending the contract of the Project manager position. The rationale is that there remain a number of enhancements to be delivered by Ameritech. The chief purpose of the Project Manager was to oversee the migration of the member libraries. Nevertheless, DALNET must now deal with new members, information providers, customers and projects. Arguments were made that the Project Manager should be retained with job duties that evolve from migration responsibilities to operations and growth duties. Committee members felt that funding to extending this position could be handled within the proposed budget.

For the 00/01 FY Budget, the Finance Committee will recommend that the Board reserve judgment as to whether to approve an inflationary funding increase for the capital fund since additional funds may come from new members, information providers or customers.

Information Provider Breakfasts

Information Provider Breakfasts will be offered beginning October 15 which is the kick off breakfast for health professionals. Attendees will be asked to join DALNET as information providers in an exciting new vision to develop informational databases specific to the Detroit- metro area. Pricing was discussed for Web links. An incentive plan was considered. It was proposed that information providers be added free of charge for the first year unless the actual costs are prohibitive.

Committee members considered basic DALENT philosophy in adding information providers. Is the philosophy to go beyond cost recovery and make a profit? Is the purpose to generate revenue, to generate access to information, or, both? Ideally, DALNET would like to generate new participates to help pay expenses and to add integrity to the informational database.

Responses to the first breakfast invitations have been slow; follow-up calls will be made. People in the health / medical fields will be asked to join a planning group to create a collaborative information hub. Based on the enthusiasm and the response rate additional funding could be sought in the form of grants especially in providing information on diabetes, cancer and the urban child.

DALNET Marketing: Update

A DALNET marketing proposal was considered with a pert chart and a tracking mechanism. A handout was distributed entitled, "DALNET New Member Process."

When a Board member contacts interested parties these procedures were recommended.

A report was presented on the status of DALNET marketing to the following libraries:

Cleary College, Schoolcraft College, Rochester College, Marygrove College, Detroit Public Schools Professional Library, Greenfield Village Library, Henry Ford Community College Library, Archdiocese of Detroit High School Libraries, City of Detroit Selected High Schools. Suggestions were made about marketing to Macomb and St. Claire County libraries.

It must be recognized that the Board has been active, especially the health professional marketing group and the video group. At the same time, it should be made clear that there is a need for Board Members to take an active role in marketing DALNET and increasing participants.

Adjournment

The next meeting is scheduled for November 12, 1999.

Respectfully submitted:

J. Bosler