

**DALNET Finance Committee
Wayne State University
Adamany Undergraduate Library
Meeting Agenda
August 15, 2001**

1. Call to Order
- ~~2.~~ Approval of Minutes of May 16, 2001
- ~~3.~~ DALNET Budget Fiscal Year 2002-2003: A Process / Project Review
 - a. DALNET Available Funds Report (Bob Harris)
 - b. MiLE Project: clarify DALNET's position with epixtech
4. Information Hub Development Committee (Karen Tubolino)
 - c. Digital Project Agreement Update
 - d. Digital Project Equipment: choice of equipment and reimbursement
5. Old Business
 - a. New Members
 - b. Marketing
6. New Business
7. Adjournment / New Meeting

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**DALNET Finance Committee
Meeting Minutes
Adamany Undergraduate Library
Wayne State University
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Present: M. Auer, J. Bosler, N. Bulgarelli, B. Harris, K. Tubolino, M. Wheeler, S. Yee
Guest: M. Piper

1. Call to Order

The meeting was called to order at 9:10 a.m. The Minutes for the May 16, 2001 meeting were distributed, but, withdraw, due to an error. These minutes will be submitted at the next meeting of the Finance Committee Meeting.

2. DALNET Budget

DALNET Budget documents will be prepared and reviewed at the next DALNET Finance Committee Meeting. Costs from year to year have become standard with an adjustment for inflation. However, new allocations need to be considered and reviewed. Finance Committee members inquired about funds remaining on this fiscal year. An increase in training and travel allocations for the next fiscal year were proposed. Funding issues for computers and for furniture were touched upon, but, should already be settled for current staff. Planning for new staff, equipment and furniture will have to be considered. The costs for the renovation and the move to new quarters will also have to be considered.

FY documents for the 2002-2003 will need to be created for the next meeting. M. Piper and B. Harris will consult. Follow-up: B. Harris

a. DALNET Available Funds

DALNET Available Funds will be reviewed at the next DALNET Finance Committee Meeting. Follow-up: B. Harris

b. MiLE Project: Funding

MiLE Project Funding was reviewed. Originally DALNET budgeted \$145,000 to implement the Horizon RSS module which would provide patron authenticated, automated, interlibrary loan service to members. Epixtech was not able to provide an RSS module that worked in the DALNET environment.

Consequently, DALNET has not acquired the RSS product and has retained its \$145,000 budget allocation plus an allocation of \$36,250 for yearly in year two. In the meantime, the MiLE Project participants have successfully sought LSCA Grant funding of a consortia project for an automated interlibrary loan project in the southeastern Michigan region.

This is a larger implementation than first envisioned by DALNET members in their Partnership Agreement. However, the Project is consistent with the direction that DALNET seeks to pursue, i.e. the Information Hub.

While epixtech is one of the vendors of ILL system software, they know they are unable to deliver a working RSS product and plan to upgrade to iSelect and iRequest in the near future. However, the consortia was unwilling to risk committing to the enhanced epixtech products which are in development.

Epixtech bought yet another similar software product, URISA, and offered that as an alternative. URISA is a working product that is field tested and capable of being demonstrated to the satisfaction of consortia members. Consortia funding arrangements and commitments now need to be made to proceed with the project.

DALNET's original commitment for RSS was \$145,000
DALNET's contribution for URISA will be \$99,000
DALNET's saving to be used on other Horizon products will be \$46,000

In order to implement the MiLE Project, DALNET has had to purchase additional interface SIP software at \$8,000. This reduces DALNET savings to \$38,000. Written waivers of DALNET's commitment to epixtech for RSS have been requested and granted to ensure the savings can be utilized on other Horizon products. There is some fine tuning of the ramifications to be done. Specifically, can DALNET use the savings to pay for yearly Horizon maintenance and opposed to newly developed, optional products.

It was recommended that the DALNET staff seek assurance from epixtech that the \$99,000 that DALNET will spend on URISA will waive the requirement to pay for the RSS module and that the remaining money can be used as a credit. Clarification on what the credit can be used for must also be sought. S. Yee will call Bill Easton seeking a letter of clarification indicating that the \$99,000 for the MiLE Project will waive the DALNET contractual commitment to purchase RSS, that the SIP software cost can be credited against the remaining credit, and that the remaining commitment can be used to pay for other epixtech products or services, including outstanding Horizon bills. It was noted that DALNET / WSU already has about \$150,000 worth of credits with epixtech which are in dispute as to what they can be used for, i.e. – to pay for what services and software. Credits could be used to have epixtech personnel on-site to implement and train DALNET staff on a new enhancement and to learn to operate an enhancement. DALNET is looking for maximum flexibility with credits.

While it will save \$46,000, DALNET will not benefit financially from the \$125,000 LSCA Grant to the same extent that the other consortia members will. It was noted that DALNET is not receiving a dollar for dollar credit as an equal participant in the grant with the other consortia members. However, the mission, goals and objectives of DALNET will be advanced by participation in this project and DALNET does realize a savings with the MiLE implementation.

The total cost of the project is between \$250,000-\$300,000. The specific cost is estimated at \$292,000 currently. In addition, there are separate ongoing yearly maintenance costs of \$100,000. DALNET was asked to shoulder a fair share of these costs beginning in the second year of the project.

DALNET Finance Committee members expressed concern that DALNET representatives of the MiLE project should look to provide equity in sharing the costs. A written financial statement or agreement was requested.

Questions were asked:

- What is the cost that epixtech will charge to implement MiLE to each of the consortia?
- Who does DALNET pay for participation in the MiLE Project, epixtech or the fiscal agent, TLN? Since TLN is the fiscal agent, it was assumed that DALNET would pay TLN who would then pay epixtech. This also needs to be clarified with epixtech by the DALNET Office.
- Does the WSU Legal Department need to look at the MiLE Agreement and its terms and conditions, especially the financial commitments?

Bosler proposed a split among the consortia for the ongoing maintenance as follows:

DALNET: \$40,000

TLN/ OWLS: \$40,000

SLC: \$20,000

The split is based on perceived ability to pay. Finance Committee members were uncomfortable with the proposal. Cost sharing models were requested based on a rational formula. Committee members agreed that in making a commitment to maintenance funding the commitment would be for two years and should not substantially exceed the \$36,250 originally budgeted for the RSS module. Ongoing statistical analysis should be conducted so that a transaction model for allocation might be created. Future years after the first year of maintenance.

It was noted that in adding new members MiLE project implementation will be a standard module within the Horizon offerings by the DALNET Office. No additional fee will be charged to new members for participation unless the member is a large net borrower which causes DALNET costs to increase in an allocation model implementation.

1. MiLE Implementation

A letter will be sent to MiLE participants through the consortia requesting official commitment to participate in the project. DALNET libraries who will participate are: University of Detroit Mercy, Wayne State University and Macomb Community College.

2. Digital Agreement

Specific aspects of the Digital Agreement were considered. Specifically, the participating institutions should agree to meet to discuss the coordination of equipment to go into the labs so that cross training is effective as well as project coordination. DPL is not ready to proceed with this project at this time, but, there is a need to have them involved in the decision making about the lab equipment. DPL will be requested to name someone who will be their representative. Bosler will follow-up.

5. Old Business / New Business

M. Auer requested consideration of the 60/40 percent split of funds which are paid by new members to DALNET. The original agreement is that WSU receives 60% of the incoming funds while DALNET receives 40%. This is to reimburse WSU for underwriting the original Horizon project. B. Harris clarified that the one time costs are going into the reserve account at WSU's request. The intent is to split the annual maintenance costs based on the 60/40 formula. Committee members agreed that the outcome was acceptable and no further clarification was needed.

DALNET marketing was considered. Newsletters were discussed. Two levels for marketing were considered: 1) new members, 2) new products.

There is a concern about losing new members and that DALNET needs new members to enhance the database and add stability to the organization. At the same time the Finance Committee is stepping away from DALNET marketing. The DALNET Office will conduct marketing with the DALNET Outreach Coordinator. Finance Committee members can help facilitate, i.e. meet and greet.

It was agreed that new members are advantageous to help reduce costs, to market to the metro community and to establish an information hub in the seven county area. The outcome of the DALNET retreat should help to clarify the ongoing position of DALNET new members.

Adjournment / New Meeting

Meetings were established and will be posted on email.