MOBIUS Council and Executive Committee

Annual Report of the Chair

June 15, 2010

Submitted by: Erlene Dudley, Chair, 2009-2010

Executive Committee members: Shirley Baker, Chair-Elect; Mollie Dinwiddie, Past-Chair; Janet Caruthers, Secretary; Corrie Hutchinson, Treasurer; Jim Cogswell; Ed Walton; Kathleen Finegan; Candice Baldwin.

This report covers tasks and activities undertaken during the period July 1, 2009 through June 30, 2010 and provides an overview of completed, in-progress, and pending activities that will carry forward to next year's Executive Committee and Council.

Date of last meeting: May 25, 2010 (Executive Committee) and March 26, 2010 (Council)
The Executive Committee met eleven times during FY09-10; the Council met five times during the same period.

Summary of Activity (in somewhat chronological order):

- Finalized the contract with Innovative Interfaces, Inc. which included in a 7% increase in annual software maintenance, reduced by 1.5% for each $50k in sales to Innovative; contracted for a Professional Services Representative from Innovative (contract not renewed for FY10-11).

- Resolved problems with the MOBIUS Executive Director position; Donna Bacon selected as Interim Executive Director on July 28, 2010.

- Subsidized a subscription to Ebsco's Academic Search Elite and Business Source Premier for FY09-10 (approximately $92k from cash reserves) after Gale won the statewide bid for the REAL databases.

- Began development of MOBIUS Financial Plan:

  Adopted the following financial principles:

  1) Operate in a legal, ethical and transparent manner;
  2) Operate with a balanced budget;
  3) Operate with a focus on service to membership;
  4) Operate for sustainability and future innovation and growth;
  5) Operate in a manner that provides a creative and rewarding work environment.

  Adopted the following financial goals for MOBIUS:

  1) Sustainability – Need an annual budget which includes projected growth, establish emergency reserves for exigency purposes, establish cash reserves, and develop a replacement schedule for tangible assets (i.e. 4-7 year cycle for a servers, computers, etc.);

2) Seek external sources of revenue (e.g. grants) - Develop awareness of time and schedule requirements for grants, etc.;
3) Seek additional revenue from new products or services;
4) Seek appropriate financial expertise (i.e. grants, contracts, etc.);
5) Develop a balanced budget with adequate income to meet expenses;
6) Develop budget process that is effective in analyzing member needs, efficient in management of resources, timely, supports research and development, supports fair and equitable compensation for MOBIUS staff, and considers University of Missouri budget schedule.

Identified the need for the following financial policies:

1) Balanced budget requirements;
2) Cash reserves use policy;
3) Budget development guidelines;
4) Risk management;
5) Required financial reporting, accountability and compliance;
6) Communication with the membership about financial matters;
7) Policies on the creation of new programs or positions;
8) Financial plan and implementation schedule.

- Initiated the Crossroads Task Force to assist in implementation of the MOBIUS Strategic Plan.

The **Organizational Structure Sub-Task Force** voted to endorse a proposal from MLNC for a strategic combination of MLNC and MOBIUS. After much discussion and a meeting with UM General Counsel, it was determined that such a combination was unfeasible. The determining factors were that MOBIUS has no standing as a legal entity and that the University of Missouri had no interest in entering negotiations on behalf of MOBIUS to move forward with a combination of the two organizations. The Sub-Task Force then began investigations of alternative organizational options for MOBIUS, such as the requirements for becoming a nonprofit corporation. Brad Smith, Nonprofit Information Resources Manager, St. Charles City-County Public Library, gave a presentation, "Understanding Nonprofits," to the Executive Committee on Nov. 13, 2009.

The **Emerging Technologies Sub-Task Force**, under the leadership of Shirley Baker, made two trips to investigate emerging technologies in operation at other statewide consortia. A team from MOBIUS (D. Bacon; S. Baker; E. Dudley; A. Riley; S. Wynn; A Zaidman; P. Logsdon; J. Hopkins) visited the headquarters of the Orbis-Cascade Alliance (OCA) in Portland, OR on Oct. 1, 2009 to gather information about OCA's implementation of WorldCat Navigator as a replacement for INN-Reach. A somewhat smaller team from MOBIUS (D. Bacon; E. Dudley; S. Wynn; J. Hopkins) visited the Michigan Library Consortium (MLC) in Lansing, MI on Dec. 1, 2009 to discuss MLC's implementation of DCB (Direct Consortial Borrowing), Innovative's product that allows disparate systems to participate in INN-Reach, and Evergeen, an open-source integrated library system. Both visits were of immense value from both a technological perspective as well as an organizational perspective. During the trip to OR, it was learned that OCA is moving to a nonprofit, tax-exempt status after being part of the University of Oregon for many years; in MI, it was learned that MLC was in the process of negotiating a merger with INCOLSA (the combined organization is now the Midwest Collaborative for Library Services).

- Investigated combining the MOBIUS delivery service with that of KCMLIN.
  Several meetings took place between MOBIUS representatives and Susan Burton, Executive Director of KCMLIN, to determine if the two statewide delivery systems could be combined under KCMLIN. After considerable analysis, it was determined that the cost increase that would occur for MOBIUS members if the delivery systems were combined under KCMLIN was too great; KCMLIN's proposal was politely declined.

- Began the process to establish MOBIUS as a tax-exempt, nonprofit corporation in the state of Missouri. (See document, "MOBIUS Organizational Restructuring: A Working Document," for a detailed explanation of the tasks involved in this process and the project's current status.)

- Acquired the services of Ann Stillman, Attorney-at-Law, Stolar Partnership, St. Louis, MO, to advise MOBIUS in the process of establishing as a tax-exempt nonprofit corporation.

- Revised and adopted MOBIUS Bylaws for operation of MOBIUS as a tax-exempt nonprofit corporation. Bylaws Committee: Mollie Dinwiddie, chair; Valerie Darst; Susan Morrisroe; Gail Staines; Stephanie Tolson. Approved by MOBIUS Council March 26, 2010.

- Four libraries implemented *Encore,* Innovative's "discovery" product.

- Developed and adopted a new membership fee/assessment model based on cost recovery for FY10-11. Held a webinar on Feb. 19, 2010 to present assessment history and explain the cost recovery assessment model.

- Communicated with constituents about MOBIUS' change in organizational structure: S. Baker made a presentation at a meeting of COPHE; model letter was drafted for library directors to inform institutional CEOs.

- Began discussions to contract with MLNC for financial services after MOBIUS receives a decision from the IRS regarding its application for tax-exempt status.

- Began discussions with the University of Missouri to revise the UM/MOBIUS contract for services after MOBIUS receives a decision from the IRS regarding its application for tax-exempt status.

Activities in-progress/Pending:

- Finalize the process establishing MOBIUS as a tax-exempt nonprofit corporation in Missouri.

- Continue investigation of the feasibility of emerging technologies for the benefit of MOBIUS members.

- Continue work with the Missouri State Library to develop potential new partners/members and grant-funded opportunities.

- Support the work of and consider the recommendations of the Task Force on Core Products and Services.

- Continue development of a MOBIUS Financial Plan.
- Develop a Board Manual.
- Review the membership/assessment fee model.
- Investigate potential new services and products.

What a challenging and exhilarating year it has been to serve as chair of the MOBIUS Executive Committee! It has been an honor and privilege to work with so many talented and dedicated people. Thank you for this opportunity and best wishes to Shirley Baker as incoming President of the MOBIUS Board of Directors. Roll on MOBIUS!

Respectfully submitted,

Erlene Dudley
Chair, MOBIUS Executive Committee, 2009-2010