

DAS Customer Council Meeting February 20, 2009

Members Present

Teresa McMahon, Chair, DOM; Ray Walton, Vice-Chair, DAS; Lee Wilkinson, DOT; Brad Hier, DOC; Margaret Thomson, IDALS; Keith Greiner, ICSAC; Mary Jane Olney, Cultural Affairs; Nicole Gehl, Commerce-ABD; Roger Stirler, Revenue; Dave Heuton, DPS; Bill Gardam, DHS.

Members Absent

Mark Brandsgard, Legislative-House; Greg Anliker, Elder Affairs; Michael Marshall, Legislative-Senate; Joan Moll, DHR; Peggy Sullivan, Judicial.

Others Present

Deb Bassett, DOM; Nancy Williams, DAS/GSE; Debbie O'Leary, DAS/GSE Procurement; Laura Riordan, DAS/Marketing; Mark Johnson, DAS/Legislative Liaison, Patricia Lantz, DAS/GSE; Lana Morrissey, DAS/Finance; Barbara Bendon, DAS/GSE; Ken Thornton, DAS/GSE; Paula Newbrough, DAS/Fleet & Mail; Tim Ryburn, DAS/GSE; Alison Rudl, DAS/ISO; Lorrie Tritch, DAS/ITE; Dale Schroeder, DAS/Fleet & Mail; Jay Cleveland, DAS/SAE; Nancy Berggren, DAS/HRE.

Call to Order

Meeting was called to order by Chair Teresa McMahon at 10:00 a.m.

Welcome and Roll Call

Member roll call taken by Nancy Williams.

Approve Minutes of January 16, 2009

MOTION: Keith Greiner moved to approve the minutes as submitted. Roger Stirler seconded the motion. Motion passed.

Designation of new Chair – Teresa Hay McMahon

Chairperson McMahon advised members former Chairperson Charlie Krogmeier is currently serving as both Director of the Department of Management and the Governor's Chief of Staff; therefore, has asked her to become Chairperson of the DAS Customer Council.

Approve Alternates

MOTION: Lee Wilkinson moved to approve Cindy Axne as the alternate in the absence of Teresa Hay McMahon. Bill Gardam seconded the motion. Motion passed.

Business Plan

Lee Wilkinson, Chair of the Business Plan Sub-Committee, advised the committee has met and discussed the issues and concerns brought up at the last Customer Council meeting relative to the Business Plan. The committee talked about the Complaint Process, Performance Measures and New Products and Services and how agencies are going to be involved in that process.

Mark Johnson advised he has e-mailed language to deal with the complaint resolution process and general questions that would not necessarily come to the Customer Council, how those would be dealt with and who they needed to contact. Additionally, as DAS may consider new products and services the Customer Council will be involved early on in that process to get their input as well as any new products or services that the Customer Council may suggest DAS provide. Mr. Johnson will be setting up meetings with enterprises to talk about their performance measures since there are some concerns about the performance measures that do not provide the Customer Council with useful information. We will provide more useful measures to bring to the Customer Council.

Mr. Johnson stated the sub-committee will bring the completed Business Plan to the DAS Customer Council for approval at the March meeting. The draft plan will be sent to Council members in sufficient time prior to the meeting to give them a chance to review the draft.

Members of the sub-committee are: Lee Wilkinson, Joan Moll, Bill Gardam, Mary Jane Olney, Mark Johnson and Lana Morrissey.

Presentation of DAS Financial Report

DAS Interim Director Ray Walton discussed the requested DAS financial information stating the numbers are reflective of the One Million Two hundred fifty five thousand dollar rebates sent out over the last sixty days or so. Mr. Walton noted that DAS broke out, where it was material, what might be termed “capital expenditures” or pre-paid items since this can be mis-leading since we may have had to pay a full-year’s service in one month.

In the GSE Association area, DAS came to this Council last summer asking for a rate increase in this area; the Council denied that request. We have had a fairly difficult winter with considerable over-time for snow removal and have spent about \$100,000 on things that would have normally been in the Routine Maintenance area. The routine maintenance fund got “scooped” and we had to pay for things like fire alarm maintenance, elevator maintenance, etc., and those were all paid on the front side of the fiscal year. Tim Ryburn & Ken Thornton bear the bulk of the financial burden here and are doing a masterful job of managing this budget. Assuming it doesn’t snow very much the rest of the winter, we will be okay. That is what we said last summer when the rate increase wasn’t approved, we would be on budget if we didn’t have a really terrible winter.

Working capital, we need 60 days worth of working capital available so we can pay payroll, supplies, etc. DAS bills our customers in arrears; the January eDas bill just went out four or five days ago. DAS income comes 50 – 60 days after the first bill in that period is incurred. It is helpful for us to have some working capital.

A Council member asked if this budget reflects the 1.5% across the board reduction that other agencies had to take. Mr. Walton advised that DAS rebated 3% to agencies, so yes, it does reflect that. These are utilities that were not general fund items that were affected by the 1.5% but we did rebate more than that. It reflects a 3% decrease to agencies.

Lana Morrissey advised the numbers presented are actual numbers based off the January financial statements. We do cash basis and we also have accruals if we have some bills we know we have not received yet. Mr. Walton stated this financial information reflects where we are really at.

The Architectural and Engineering hourly rate was reduced to \$81.50 last month, these numbers reflect those changes. The Customer Council may wish to make that a permanent number by taking some action to do that.

Overview of Rate Methodology Process

Lana Morrissey stated one of the items on the Customer Council annual calendar is rate methodology, noting this is a good time to look at the methodology for utilities to determine if we want to make any changes. Ms. Morrissey stated she polled the COO's from DAS and did not get any feedback as far as any changes that they wanted.

Chairperson McMahon stated this is informational material for the members today. Ms. Morrissey advised in March we begin our rate setting process for 2011, we want to tentatively approve the utility rate for 2011 in June followed by the 30-day comment period in July.

Roger Stirler asked for discussion on I/3 rates. Mr. Walton stated in FY'09 general fund buy-down was \$2 million, our request was for \$4 million and the Governor's recommendation for FY'10 was \$3 million dollars. Mr. Stirler asked how this \$1 million dollars would be covered; Mr. Walton stated he wouldn't see any other way except by the agencies. Mr. Stirler noted it would be very important for the agencies to have that information as soon as possible since they are all struggling with some very difficult budgets. Mr. Johnson advised in FY'09, there were capitals monies still left and that disappears in FY'10. The full cost of I/3 is now coming into play. DAS should know definitely once the appropriations bills are finalized. Mr. Stirler stated with the rate setting on I/3, we started at the lower rate with the assumption that the \$4 million would be appropriated, so it would take action by the Council to change that rate if DAS presents that case.

It was asked if there were upgrades that could be delayed or if we can purchase upgrades less frequently, DAS was asked to explore these options. Lana Morrissey stated the IT group and the SAE group is working very diligently to run the system as efficiently as possible.

Comments by Council Members

Nicole Gehl stated she was curious as to why the Authentication & Authorization (A & A) for FY'10, was classified as a utility and not a marketplace service. Lorrie Tritch stated primarily the agencies use that for their applications that they need to authenticate users against, this gives them a single sign-on for that application plus a number of different applications, it is for ease of working on a number of applications on your desktop. Why it is a utility versus marketplace, it was viewed as one of those services we can build and manage from an enterprise perspective and not have each agency build that same type of service. Ms. Tritch added the same is with the Service-Oriented Architecture (SOA), that also is a collection of data that comes to a central depository or data base, for agencies then to have the ability to share the data and instead of building those separate environments across the agencies, having that type of central service.

Ms. Gehl stated her concern was having such a high rate since her agency has a private vendor. Ms. Morrissey advised this was approved by the Department of Management last spring in order for it to be a utility category. Having standard protocol is a unique advantage to the State since there was not the desire for the agencies to go off on their own for these. It is a security issue in some ways to have it all wrapped up into one and this is one way to do it.

Dave Heuton stated he would like to propose that DAS create a new utility for surplus properties, centralizing it in DAS and that DAS seek a law change so they are able to retain the revenues generated and if there is a billing structure that needs to be put in place that it be considered. Since most of the surplus DAS would handle is on the Complex that the charge be based on the number of employees that work in the Polk County/Metro Area so it could do it off of payroll to generate a head count and determine what the required rate would be. Mr. Heuton stated surplus property is just something that should be centralized.

Mr. Walton stated we might also look at basing this on square footage and may get to the same agency number. He also stated we could blend this into space management since there is a person on staff who knows a great deal about this subject. Perhaps we don't create a new utility but a new function within space management. Chairman McMahon stated the Council would like to see the full array of options including from IPI, just to know what options there are.

Lee Wilkinson had a question about personnel officers since that charge increased. Nancy Berggren stated in the previous year there wasn't an increase so the Customer Council voted to put the increase in this year; however, she will go back and check this and confirm. Nancy stated there are vacancies in the personnel office that have not been filled and we do not anticipate filling at this time.

Future agenda items discussion

- Business Plan
- Begin rate calculation discussion
- Updated financial information from DAS
- I/3 Update
- Surplus Property – possible options

Close and Adjourn

Adjourned at 11:00 a.m.

Respectfully submitted,
Nancy Williams, DAS/GSE