

Portal Authority Board of Directors

MINUTES

Portal Authority Board of Directors Special Meeting

February 2, 2006

1:30 p.m. – 4:00 p.m.

Legislative Services Building

200 E. 14th Ave.

Audit Hearing Room, 1st Floor

Denver, CO

I. Call to Order: 1:35 p.m. Chairman Cadman

A. Roll Call

Attendees: Arrowsmith, Rep. Cadman, Cooke, Feingold, Jenik, Marroney, Sen. May, Sobanet, Wells

Excused: Dennis, Picanso, Williams, T.

Absent: Groff

Quorum established.

Notes transcribed by Angie Onorofskie, Statewide Internet Portal Authority

B. Introduction of Audience

C. Approval of January 5, 2006 Meeting Minutes

MOTION: to approve the January 5, 2006 meeting minutes of the SIPA Board of Directors.

Arrowsmith/ Sobanet

Discussion:

Michael Cooke abstained from the vote, as she was not present at the January 5, 2006 meeting.

APPROVED BY THE MAJORITY

II. Committee Reports

*Chairman Cadman announced that the meeting would be run slightly out of order so that Henry Sobanet could report on the Finance Committee before he had to leave.

A. Finance Committee, Henry Sobanet

SIPA Budget Overview

Henry Sobanet, SIPA Treasurer and Chair of the Finance Committee, reported that he met with Don Ravenscroft a couple of times. They did a lot of work on the budget and determined how to best present the information to the Board. Henry Sobanet announced that he would give the Board an overview of the budget. He stated that there is nothing inherently remarkable about the budget except for the personnel line. The personnel line item allows room for a third staff person to join the SIPA Office. Henry Sobanet stated that he believes Don Ravenscroft is presenting the right issues that are facing SIPA and the state as we move forward. Henry Sobanet pointed out that Don Ravenscroft wants to accelerate state architecture, as related to SIPA, but this shouldn't be done without coordination with the state. Henry Sobanet, on behalf of the Finance Committee, recommended that the Board approve the budget, including room for the third staff person in the personnel line. However, the committee does not recommend hiring until coordination takes place among key CIO's, Mark Weatherford, John Picanso, and Don Ravenscroft. Henry Sobanet wants to make sure that coordination and communication take place before any further steps are taken. Henry Sobanet thanked Don Ravenscroft for recognizing the importance of the next step – integration and moving forward with respect to technology. Henry Sobanet announced that he would have to leave the meeting early, and he opened the floor to questions.

Discussion:

Chairman Cadman thanked Henry Sobanet for giving his time and offering his expertise.

Don Ravenscroft thanked Henry Sobanet as well, and he added that they have had a couple of pretty intense meetings. Don Ravenscroft stated that a few weeks ago, he passed out four recommended policies that drive the budget. He stated that if the Board votes to approve the budget, he would also ask that the Board approve the policies. Don Ravenscroft suggested that the Board does not have to approve the policies, but the policies do support the budget. Don Ravenscroft opened the floor to questions regarding the policies or the budget. He recommended that if the questions are very detailed, it might be appropriate to move into executive session. However, he would be happy to answer any high level questions during the open meeting.

SIPA Budget Proposal Briefing, Don Ravenscroft

Don Ravenscroft stated that he would provide a briefing of the high points of the budget proposal, and he would have no problem answering high-level questions throughout the briefing.

Purpose: to obtain approval of SIPA operating budget.

Background:

- The revenue share between CI and SIPA has been finalized, which is the major income for the budget. The contract modifications have been made, and the Board Chairman will finalize.
- The banking policy (SIPA Policy 004) recommends opening two different accounts, operating and federal. The operating account would be utilized to cover day-to-day and repeated expenses. The policy covers how SIPA will be banking, and it discusses specifically which accounts we have and who can withdraw from the accounts. The intent is to make sure that there is public accounting, and the signatures allow for that. The operating account was created January 23, 2006. As agreed, CI has deposited the appropriate amounts from October and November. The December revenue share was also recently deposited.
- The Federal funds were used to start up portal operations (including salaries through October 2005), SysTest Task Orders 1 and 2, content management, single logon, etc.

Budget Profile:

- *Total Budget = 1.9 million dollars (combined federal and operational budget).*
- Operational Budget
 - Planned Income of \$520,000 is calculated from a fixed amount of \$450,000, plus 2 percent of projected revenue.
 - Expenses for the year are budgeted at \$473,000.
 - November and December salaries and office start up costs have been moved to the operational budget. This \$48,000 uses up most of the planned surplus in the budget. The recommendation is to use the surplus this year, and the reality is that revenues are coming in at a higher rate than expected. Therefore, discretionary funds should be available for the Board.
- Federal Budget
 - Planned Income is \$1.37 million, plus carry over from 2005 of \$88,000
 - Expenses include:
 - Content Management
 - Single Logon
 - SIPA Reserve of \$450,000 (separate account within SIPA)
 - SysTest Financial Procedure Planning
 - SysTest Task Order 2 Balance
 - Hale-Friesen (Legal Counsel)

- This should be the last of the Federal Funding; the rest will be covered by the operational budget.

Discussion:

Senator May asked if there would be a reserve built up for equipment.

Don Ravenscroft replied that there would be a reserve, and it would be up to the Board to determine how the reserve would be spent. The Board may decide to use the reserve to build more applications. He hesitated to say exactly what the reserve would be because there have only been two months of revenue so far.

Chairman Cadman stated that the SIPA reserve is currently listed under Federal Funding.

Henry Sobanet, SIPA Treasurer, stated that he had not planned on earmarking the \$450,000 listed under the Federal Funding for reserve. However, he stated that Don Ravenscroft is correct in allocating a reserve in case it is needed for equipment. Henry Sobanet preferred to plan the reserve into the future.

Don Ravenscroft agreed that there is very low risk if SIPA doesn't build the reserve fund this year. He suggested that the Board might want to discuss this matter during Executive Session.

Don Ravenscroft went on to explain the financial statement, which would be e-mailed to Board members after the meeting. He stated that the financial statement is very simple. The first deposit into the account from CI was \$68,678.31. This includes \$37,500.00 fixed revenue and a two percent revenue share amount of \$31,178.31 (October and November). As of February 1, 2006, total deposits amount to \$114,548.19. Of this, total payments of \$247.24 have been made, and \$81.96 is outstanding.

Don Ravenscroft stated that the operating account would cover salaries and some other large outstanding bills. The bottom line is that SIPA is very much in the black.

Jack Arrowsmith asked what overage (surplus) SIPA has on each of those months based on predictions.

Don Ravenscroft stated that it is a running total. He stated that he can distribute to the Board the planned surplus for year and then how much SIPA actually makes. Don Ravenscroft asked Board members if they wanted to continue the discussion or go into Executive Session.

Henry Sobanet stated that he thought the Board needed additional discussion. He stated that he wasn't sure if it merits an executive session, but he suggested that discussions regarding the reserve could take place between now and the next meeting. Henry Sobanet recommended asking Legal Counsel what would be appropriate as far as Executive Session.

Don Ravenscroft stated that the SIPA operating budget is basically self-funded as of January, and he continued with his briefing.

Budget Assumptions:

- One thought was given that PMO needed to be performed somewhere – at the time it was recommended that the IV&V contractor – SysTest Labs, would perform it. Over the past couple of months, SIPA has looked at moving the PMO into the SIPA Office.
- Continue to use the IV&V Contractor for financial review and selective IV&V (application by application, case- by- case basis) determined by risk factors for the applications. If the risk factor were low, IV&V wouldn't be utilized. If the risk factor were high, IV&V would be utilized. Most applications are small, and therefore V&V will be performed in the SIPA office. Don has worked with Rich Olsen of CI and determined that V&V would interject in about 10 points of their development process. It's a very good way of indicating risks to the Board.
- Hire a CTO to also perform PMO and other functions. Major function of CTO is to keep arms around where the state is going with statewide architecture efforts.
- Budget also includes staff raises, bonuses, and legal expenses. Policies 003 & 005 for staff and ED explain the exact terms. There may be discussion on these policies.

Discussion:

Michael Cooke stated that she understands that we want to get the budget approved. However, if the budget is dependant on the proposed policies, she stated that she is not ready to approve the policies, especially the compensation adjustment policies. Michael Cook stated that her approval of the budget would not be an approval of hiring a CTO, without further discussion. She asked if there was a way to move forward with the budget, without moving forward with assumptions of the policies.

Henry Sobanet stated that he thinks that would be possible. He also agreed with Michael Cooke's hesitation to approve the policies, and he stated that the Board needs to look especially at the compensation policy to determine if SIPA wants to operate with classified or at-will employees. The answer to that (classified vs. at-will) would drive the policy. Henry Sobanet stated that the budget could be adjusted, and the Board doesn't necessarily have to endorse the policies in order to approve the budget.

Don Ravenscroft added that the budget is a worst-case scenario, and the purpose is to show what it would be if those policies were implemented.

Jack Arrowsmith stated that he agreed with Michael Cooke. He would also like to discuss the SIPA Banking Policy 004.

Don Ravenscroft stated that SIPA Policy 004 is more necessary because some aspects of it are being utilized today by de-facto.

Henry Sobanet stated that if the Board desires to discuss the policy, then it should be discussed.

Jack Arrowsmith stated that he is only sensitive to one piece of banking account policy, and the reason is probably because Douglas County is currently reviewing how the audit committee works. Jack Arrowsmith stated that the policy allows the executive director to withdraw a maximum amount of \$15,000, without any oversight. Jack Arrowsmith stated that his concern doesn't have anything to do with Don, per say. However, he is a little concerned about the large allowance with no oversight.

Henry Sobanet explained that the idea behind the aforementioned amount was that IV&V and/or legal counsel incur rather large costs, and the amount would allow the Executive Director to pay the bills.

Jack Arrowsmith asked if there is any bill that is so emergency that it couldn't wait a couple of days. He stated that he thought some amount of oversight is necessary.

Henry Sobanet agreed, and he stated that he would support additional oversight.

Don Ravenscroft stated that many directors have spending limits well over 15,000 dollars, and it isn't like he is asking to withdraw 100,000 dollars at a time. He added that the Board hired an Executive Director to run a business, and it is not fair for him to be strapped down. Don Ravenscroft stated that 15,000 dollars is extremely reasonable, and it is actually not enough.

Jack Arrowsmith stated that it may be true, but he still thought that some additional oversight wouldn't hurt.

Chairman Cadman asked if any of the directors in the room had any insight on the issue.

Michael Cooke asked how this would work in terms of oversight. She stated that she understands the Executive Director needs to be able to have some control over expenses such as rent, utilities, etc. She asked if it would be sufficient if the Board reviewed expenditures each month, although it would be after the fact.

Henry Sobanet stated that he hasn't yet reviewed how the oversight would work. He added that the committee got to this number by looking at a reasonable, high number bill. He also agreed that since the Board meets monthly, they would be able to determine something abnormal very quickly. Choosing a maximum withdraw number is a balance between flexibility and oversight. For amounts above the agreed upon number, dual signatures would be required. Henry Sobanet stated that action could be delayed. SIPA is running with this policy as the de-facto, and further analysis could happen between now and the next meeting.

Bob Feingold stated that he hasn't had a chance to read the policy. However, he stated that the point of principal is one of balancing between expediency of operation and oversight. As a general rule, the Board doesn't want to become micromanagers of the Executive Director. However, on the other hand, the Board has a fiduciary responsibility. As per previous occasions,

Bob Feingold recommended moving forward with the policy, review it quarterly, and adjusting it as seen fit.

Chairman Cadman brought up the fact that someone with a checkbook can always write smaller checks that add up to more than the maximum authorized amount. He stated that it comes right down to trust.

Gerald Marroney suggested adding a provision that indicates that the Executive Director must report monthly on each and every expenditure, whether the Board is meeting or not. He added that he agrees that the Board hired Don Ravenscroft for a reason. It is important to trust the Executive Director and set up good controls at the same time.

Don Ravenscroft added that the SIPA Treasurer could have access to all account activity at any time through the online banking system.

Jack Arrowsmith reiterated that it is nothing against Don Ravenscroft. It has to do with setting controls up front so that problems do not come up later. He added that Mr. Marroney proposed a very good alternative that he would support.

ACTION ITEM: Don Ravenscroft will modify SIPA Policy 004 to add that the Board will receive a monthly financial statement including all expenditures.

(Budget Proposal Briefing Continued, Don Ravenscroft)

Move PMO to SIPA Office:

SIPA staff would perform V&V. The SIPA ED and CTO would share the PMO functions (.4 FTE or 40 percent of the CTO's job would be PMO). Don Ravenscroft explained that he is trying to compare apples to apples, but it's difficult when talking about this. The PMO at the level he is proposing would cost about 44,000 dollars or (.4 FTE) per year. SysTest had a great explanation of what PMO is in their proposal, and they estimated it would cost over 400,000 dollars. This would very reasonable be for a very highly oriented software development, from scratch. Don Ravenscroft stated that he does not believe this level of PMO is required for the portal.

SIPA would continue to use SysTest for financial review. SysTest has given these numbers as preliminary costs for two functions including, how they will conduct the review and the execution of the review. These numbers are preliminary, and they have not yet been negotiated. Through an initial negotiation and clarification of tasking, the initial number has already dropped. Don Ravenscroft would meet with SysTest again to discuss this.

SIPA would also utilize SysTest IV&V, on a task-by-task basis. The total estimate for IV&V per year is about 24,000.00 dollars. SysTest would enter at the final test stages and do an independent test. They would create their own

procedures and test results at their own facilities to determine independently the validity of services being produced. Don Ravenscroft assumes that two to four applications may require IV&V. The first candidate may be ID Management or Single Logon.

Hire CTO Now:

Don Ravenscroft stated that he is not sure what to call the position, whether it is CIO or CTO. That can be negotiated later. Don Ravenscroft explained that the slide indicated the major functions of the “CTO” position in whole or partially. He noted that Henry Sobanet brought up the first bullet, which warrants a lot of discussion. Don Ravenscroft explained that SIPA needs a high- level technical person to discuss with CI, state, and counties to see where they are headed with their initiatives. SIPA needs to know where to go and be able to plan properly. There are several things in the works in which SIPA is participating, including the Statewide Strategic Plan. SIPA is also involved in some fallout of the statewide architecture. SIPA is not defining, or big enough to be able to define, the statewide architecture. SIPA could impact it, but SIPA is only a small part of it. Don Ravenscroft has met with others about the security plan and architecture. This is very important, especially because one of SIPA’s projects is Single Logon. County and city services could be impacted somewhat the same. Don Ravenscroft added that there was a good meeting with CGAIT, and this could also impact their architecture as well. CI has been a part of all of this, and SIPA is depending on CI when there are any technical questions on what, how, etc. CI is a very valuable and important player in all of this.

The person would also be coordinating with counties, and he or she would have to be able to stand with peers at the CIO level. The size of the office doesn’t require a CIO, but the interface warrants that.

Discussion:

MOTION: to move any discussion on hiring CIO/CTO (including job description) and compensation policies to the Personnel Committee for review and recommendation. All Board members should be invited.

Cooke/ Marroney

No Discussion

APPROVED UNANIMOUSLY

MOTION: to move any discussion regarding the PMO Policy to the Business Committee, and invite all Board members to the meeting.

Cooke/ Wells

Discussion:

Don Ravenscroft stated that policies should be differentiated from procedures. He stated that policies are what the Board needs to approve, as they are essentially guidelines. Procedures, on the other hand, don't necessarily need to be approved. Procedures are very detailed and could change from time to time, and Don Ravenscroft doesn't think the Board would want to get too involved in procedures. He added that he would pass around the PMO procedure for discussion, but it wouldn't be something he would recommend on policy approval. His reasoning was that the PMO procedure is too dynamic, and it would require Board approval to change it if it were a policy.

Michael Cooke stated that the PMO Policy was originally presented as a policy. She stated that she thinks there should still be a policy regarding PMO. She added that procedures could follow the policy, and they could be more fluid. Michael Cooke expressed that moving the PMO to the SIPA office and hiring someone to manage it is very major. Therefore, she would recommend that a policy is formulated and sent to the Business Committee for review and recommendation.

Chairman Cadman added that the issue of PMO is being discussed at the IMC level as well, and therefore we need to get a handle on this now before having to fix problems down the road.

APPROVED UNANIMOUSLY

Discussion:

Chairman Cadman asked if there were job descriptions ready for the proposed CIO/CTO position.

Don Ravenscroft stated that he has a draft that is about five pages long. He would like to refine the draft and add it for input into the group.

Bill Cadman commended Don Ravenscroft on his work. He stated that a good foundation is being established.

Senator May asked Don Ravenscroft if he sees anything in the SIPA legislation that needs to be refined or changed. If so, he stated that we need to begin to think about that, and get it in before the end of the session.

Don Ravenscroft stated that, at this point, he doesn't see any necessary changes. He added that he is still trying to understand the fine points.

Jeff Wells stated that there is a bill going through proposing to clean up OIT, IMC, etc., relative to the Portal Authority. It should clean up rule making in IMC, but it says they have rule-making authority over the portal. Jeff Wells stated that the sentence should be removed because it was there before the Portal Authority came into existence.

Senator May pointed out that Jeff Wells was referring to Senate Bill 149. He agreed that it should be cleaned up.

Richard Westfall, Legal Counsel also agreed. He stated that it is in the IMC Statute (24-37.5 203.5 (7)).

In lieu of Henry Sobanet's comments, Chairman Cadman asked if anyone would like to make a motion to approve the budget.

MOTION: to approve the 2006 SIPA budget.

Cooke/ Arrowsmith

No discussion.

APPROVED UNANIMOUSLY

Committee Reports (continued)

B. Business Committee, Michael Cooke

No report.

C. Contracts Committee, Richard Westfall

First Amendment to the Master Agreement

Article 3: Task Order Consideration and Portal Funding

Richard Westfall, SIPA Legal Counsel, reported that the committee went around and around again on the Master Agreement, which sets the revenue split. Part of this was addressing Tambor Williams' concerns that the amount set forth in the Master Amendment should trigger an annual review by SIPA and not necessarily be bound to renegotiating the amount. The amendment just says that the Board (now and future) will review the amount each year. The committee came up with some language that accomplishes this. Richard Westfall passed out the proposed amendment that addresses Tambor Williams' concerns. He stated that technically, the Board has already authorized Chairman Cadman to sign the amendment.

Richard Westfall stated that there would be two parts to the amendment to the contract, and he explained the amendment in detail. The language has been approved in the first paragraph, which addresses the revenue share amount that was negotiated. The second paragraph states that the Contractor will create an Annual Business Plan for Approval by the Board. It also states that Portal Resources to be utilized will be projected. The amendment doesn't require renegotiation, but contract administration fees will be provided. It simply gives

the Board a heads up to remember to review the amount when the Annual Business Plan is annually reviewed. The amendment gets to the heart of Tambor Williams' concern. Although a motion isn't needed, Richard Westfall recommended that the amendment be approved.

Discussion:

Gerald Marroney suggested that the minutes from the meeting last month should reflect the specific concerns of Tambor Williams.

Richard Westfall agreed, and he stated that the January minutes reflect Tambor Williams' concerns very clearly.

Greg Jenik asked if any action was needed on the amendment to Article 30: Third Party Beneficiaries.

Richard Westfall stated that no action is needed. It was something that the Controller was looking at. In the case of a dispute, the manner the Authority does this through the action of the Contractor to fully effectuate is to make agencies intended beneficiaries. The Controller says the Master contract makes agencies third party beneficiaries.

EGE Agreement

Richard Westfall stated that the committee thought they were done and had reached closure on the EGE agreement. However, additional language has been added and clarified from the Department of Revenue, CI and others. In fact, Richard Westfall stated, he just got language today from the Department of Revenue. The EGE is very close to completion.

Jack Arrowsmith asked if in the case there is a need to establish a contract with a non-government entity, if the EGE can be adapted for that.

Richard Westfall stated that this is for agreements with other governmental entities. He noted that there is a wonderful passage in the organic statute that gives SIPA the ability to work with governmental agencies. The basic model can and should be used in a multitude of contexts.

Don Ravenscroft clarified that the question was to non-governmental entities. He stated that this could probably be a starting point, but it may need to be changed a little bit.

Richard Westfall stated that the EGE doesn't deal with money. If dealing with a private agency and dollars are added, everything changes.

Jeff Wells agreed and added that in the private sector, other things like indemnity and liability must be considered.

Richard Westfall added that when dealing with money in the state, the Controller must be included.

Jack Arrowsmith asked if the EGE would be completed, without a doubt, by the next meeting.

Richard stated that it would absolutely be completed by the next meeting.

D. Personnel Committee, Representative Cadman

No report.

III. New Business

A. Executive Director Update, Don Ravenscroft

1. Approval of the Annual Business Plan

Don Ravenscroft stated that he has looked at all comments from all who have sent comments, and they have been resolved and sent back. Don Ravenscroft recommended that the Board approve the Annual Business Plan with the resolutions to the comments that have been received.

MOTION: to approve the Integrator's Annual Business Plan (IABP) with resolutions that have been received.

Jenik/ Feingold

Discussion:

Greg Jenik stated that he shared some minor comments with Rich Olsen of CI. However, he sees no reason not to move forward with the approval, as those comments can easily be incorporated.

Senator May stated that he has served many years on the IMC. He stated that numerous projects have been implemented in the state, but the weakest area has been the implementation phase.

APPROVED UNANIMOUSLY

2. SysTest Update

Don Ravenscroft stated that he received the second draft of Task Order 3, which would generate procedures for the financial review. He also stated that he received the gap analysis deliverable (finances with CI) for Task Order 2. Don Ravenscroft turned the report over to Bob Halsey of SysTest Labs.

Bob Halsey introduced Paul Orzech and Paul Weiman from Clifton Gunderson.

Don Ravenscroft explained that the letter from Clifton Gunderson was sent to the Board via e-mail. Don Ravenscroft has reviewed the letter but not with Clifton Gunderson or SysTest.

Jack Arrowsmith stated that since many Board members have just recently received the letter; perhaps they can see the executive summary.

Clifton Gunderson Presentation

Paul Orzech explained that the letter to the SIPA Board serves as a basis for recommendations and related findings. There is also an Appendix A (Initial Information Requests Related to the Financial Records and Reporting) and Appendix B (CI General Manager's Report).

Paul Orzech went on to explain that Clifton Gunderson was requested to provide initial recommendations, with respect to the monthly reporting from CI, and whether the reporting provides enough information for the Board. The letter provides detailed comments based on review.

Based on review of CI's General Manager's Report, Clifton Gunderson found that the report provides a basic understanding of overall operations. The comments in the letter relate to a little more detail that might be useful to Board. For example, the revenue sharing line item could be broken out into more detail to show the calculation of the revenue share. This would help the Board ensure that the revenue share is being computed as negotiated.

On page two, it is recommended that as additional services areas are added, the Cost of Revenues and SIPA Revenue Share by Service area also be reflected to provide the Gross Profit and Gross Profit Percent by each service area. This would give the Board a preview of profitability by service area.

Discussion:

Bob Feingold asked if CI has the capability to partition by services (especially costs).

Rich Olsen stated that it could be difficult with credit card fees.

Senator May stated that Rich Olsen says it's difficult to partition by services, but he asked how CI knows if they are making money or giving it away. He added that the question is when credit

card fees come in at 1.5 percent or 2 percent. He asked if CI takes the total and subtracts fees as a lump sum. If so, it is hard to see how the difficulty comes from fees.

Senator May also added that some applications would be delivered with no charge.

Rich Olsen stated that is why CI has to plan accordingly when they have an application with a fee.

Senator May stated that when the original bill was written, the writers knew that several applications wouldn't be big enough to make money. He asked how CI would know this if they don't have a way to account.

Rich Olsen stated that CI has to balance those applications that bring in money and those that don't.

Paul Orzech stated that Clifton Gunderson was also requested by SysTest to perform agreed upon procedures for the period ending June 30, 2006. The purpose of this is to get an overall understanding and make sure that it would provide enough details when agreed upon procedures are performed.

Bob Feingold asked if SIPA funds flow through the CI bank account.

Rich Olsen stated that they do flow through the CI account.

Richard Westfall, Legal Counsel, stated that it is set forth in Master Agreement.

Paul Orzech pointed out that last bullet point on page two, related to the two dollar per record usage fees. He stated that currently the resellers are "self reporting the amount of records used to CI on a daily basis. Some applications later might provide controls on records reported, but until other controls are in place, there is room for accidental misreporting by the resellers. Clifton Gunderson recommended that SIPA should discuss with CI other possible measures that can be taken to ensure that no revenue is lost to CI or SIPA.

Gerald Marroney asked if there was a pass-through agreement from CI to a third party, regarding accounting and auditing, to audit the third party in some kind of pass-through mechanism. He asked whether or not the agreement was being reviewed to make sure that they are not misreporting. He added that it would give an audit ability to make sure that the third party is doing what they are saying. Gerald Marroney suggested having Legal Counsel review that.

Richard Westfall, Legal Counsel, stated that this is an issue with the Attorney General with respect to each agency, that there is basic information reporting and audit ability.

Gerald Marroney stated that it doesn't relate to the agency; it relates to the third party vendor that is reselling.

Don Ravenscroft stated that part of the agreed upon procedures is trying to decide what would be included in the yearly audit. Don Ravenscroft added that he asked the same question to SysTest. He is still waiting for an answer from SysTest as to what the scope and boundaries of these procedures include. Don Ravenscroft stated that at this time, the desire is that it would be included in the audit.

Richard Westfall stated that once there is a reseller out there, there is a paid transaction fee, and as long as there is no misuse of the data, the fact if they do or do not make a profit on the resale of the data is of no concern to us.

Rich Olsen stated that there are no provisions regarding the profit on the resale of the data. CI has an agreement with DOR, and CI has to audit the companies under the direction of DOR.

Richard Westfall stated that this is a unique situation.

Rich Olsen agreed that it is unique, and it will probably be the only situation like this.

Senator May stated that there are state and federal laws that apply to that data. It is necessary to make sure that whoever you sell to is not violating the law.

Rich Olsen stated that the Drivers Privacy Protection Act (DPPA) governs all of this. DPPA is the basis of all of the transactions, and the Senior Director of Motor Vehicles makes sure that we comply with federal law.

Senator May added that if a vendor were doing something illegal, we would hear it from one of the customers.

Rich Olsen added that CI talks with DOR very often.

Michael Cooke stated that DOR also addresses this, and Colorado law is more restrictive than federal law. DOR has taken a very conservative approach with the agreement with CI, and they believe it's a good, solid process.

Gerald Marroney stated that he wants to be sure there is an audit mechanism to see if the vendors are using the system for other purposes. Sometimes it's scrupulous and sometimes it's not. It's just a way to check vendors.

Michael Cooke stated that in addition to CI's responsibilities, DOR has to audit CI to make sure that they are doing everything correctly. She added that these are DOR's records, and they have to make sure that they do the right thing too.

Rich Olsen stated that an important point is that any data that goes through the portal is not the property of the portal.

Don Ravenscroft stated that SysTest is only a yearly audit. CI has procedures in place to make sure things are running smoothly. The audit doesn't relieve the department from auditing, as it's not engaged monthly.

Paul Orzech of Clifton Gunderson stated that the points recapped some of the main points of letter, and it is open to discussion. He added that they use the term Agreed Upon Procedures, rather than audit. Agreed Upon Procedures differ from a financial statement audit, as the SIPA Board, SysTest, CI, and Clifton Gunderson would agree upon the procedures. The Agreed Upon Procedures are geared toward specified elements of transactions. They will dig deeper into specifics. It will be a very defined, very specific engagement.

B. Colorado Interactive Update, Rich Olsen

Rich Olsen stated that CI was going to demonstrate a couple of applications

Don Ravenscroft stated that he wanted to commend in public CI's excellent work in getting things done. He stated that CI brought up a couple of applications very quickly, and they are doing an excellent job.

Rich Olsen stated that before CI demos the applications, he wanted to make sure that everyone knows about an incident in Rhode Island that compromised credit card numbers. Rich Olsen explained that it was old code that was not up to standards that resulted in a breach of security. CI is the vendor for the Colorado portal, and they are just as concerned as the state with protecting citizens. Number one, he wanted to make sure that everyone knew it happened. Number two; he wanted everyone to know that there are many things in place that keep compromises from happening. Colorado is well protected, and Colorado will continue to be well protected. CI is also making sure that all of the code CI writes, as they bring up applications, will be audited.

Rich Olsen stated that at the last meeting, CI announced that the Governor was planning speak about the portal during the State of the State. However, CI learned a couple of days before the address that the agenda was already full. Even so, Colorado.gov is up and running on the new servers. It is very stable and very secure. When the site was moved over, the Live Help application was also brought up. In January, when Live Help went live, it took 511 requests from the Librarians. Univision (Spanish television station) called because they wanted to know if questions would be in Spanish. Rich Olsen stated that had an interview with Univision. The interview was recorded, and it aired last night. Live help has been live for 2 weeks.

There Ought to be a Law Application:

There Ought to be a Law allows citizens' voices to be heard. The application will go live Monday.

Discussion:

Jeff Wells stated that the last time something like this was introduced; it was so overwhelming that it was shut down. He asked if there was a capability for the magnitude of hits and who is posting.

Aaron Boyd of Colorado Interactive stated that CI would be screening all of the entries before they are posted.

Rich Olsen stated that the Governor's Office was very specific. They didn't want the entries to be instantly posted; instead they would be screened before being posted.

Jeff Wells added that when there are hot topics like marriage definitions, organizations with open forums would send everyone to the site.

Rich Olsen stated that there is a press release ready to go out. The press release went out on Wednesday for Live Help. Both press releases include a quote from the Governor. Live Help has a quote from the state librarian. The press release for There Ought to be a Law has a quote from Representative Cadman.

Services in Development:

Payment engine – CI is working with COFRS, the State Controller and Treasurer. They want to make sure that it is all done right so that it is reconcilable and technically sound.

Financial Report:

The financial report looks good; it is similar to last month's report. Revenue is only fluctuating by a couple thousand dollars each month. The SIPA revenue share is also up to date.

There Ought to be a Law Demonstration:

Rich Olsen stated that the Governor was very gracious in providing a quote and allowing us to use his press folks for the launch of Live Help and There Ought to be a Law.

Aaron Boyd, CI Project Manager, gave a demonstration (cashed copy) of the "There Ought to be a Law" application.

On the front page there is an invitation to use the application, and there is a choice between Colorado residents and non-residents. Aaron Boyd noted that there is a note at the bottom, which references the pink book. There is also a suggestion that shows what other citizens are saying.

There is also an administrative interface for those who will be handling the submissions. It gives an opportunity to look at all of the suggestions and rate them. As of now, the submissions appear as the most recent.

For the demonstration, Aaron Boyd chose the Colorado Resident interface. There is a short list of fields from which the citizens can choose an area of interest. For example, a citizen might choose local government. Aaron Boyd noted that only the fields with an asterisk next to them are required. The citizen can remain anonymous except for they must enter a county so that the suggestions can be available to the specific county.

Discussion:

Jeff Wells asked if there was a limitation on IP address or if someone could keep submitting multiple times.

Aaron Boyd stated that there isn't a limitation, but CI can monitor the traffic and see the trends.

Mark Church, CI Director of Development, added that CI can monitor the traffic and problems can be dealt with. If CI detects that a person is spamming, it can be leveraged.

Senator May asked if there was a bucket that you can put suggestions in by subject.

Aaron Boyd clarified if Senator May was asking if the database is searchable by subject, and he answered that it was. He added that legislators could also go to a page to review submissions based on counties. There is a lot of flexibility with reporting.

Aaron went on to explain that after the user submits the suggestion, the application would thank the user for submitting. He added that the application works the same for non-residents, except that the only field required is the state.

Bob Feingold asked if the application allows for submitters from foreign countries.

Jeff Wells stated that submitters from foreign countries could probably put in any state.

Bob Feingold stated that if someone is making a suggestion from a foreign county, maybe there could be a field for that.

John Thomas stated that while there isn't a field right now, CI could certainly add something like "other".

Aaron Boyd stated that once reviewed and rated, the top ten submissions could be viewed. CI could also post the most recent 10 submissions.

Jack Arrowsmith stated that he assumed that this has been used in another state.

Aaron Boyd stated that the application is not live in another state, but the reason is because nobody would staff it.

Jeff Wells suggested that it might be more useful to implement this after the legislative session ends, and then people might be less likely to abuse it.

Michael Cooke agreed and added that submissions could get to the legislators before their five bills are due.

Live Help Demonstration:

Aaron Boyd, CI Project Manager, explained that Live Help is live on the Colorado.gov site with a link on the front page.

He demonstrated that user simply enters his or her name, where he or she lives, and the question.

The question is then routed to a representative at Colorado Interactive.

A window at the top will open to display the question, and then the user will see who answers the question and an answer.

Discussion:

Jeff Wells asked if statistics would be kept.

Rich Olsen answered that statistics would be kept.

Jeff Wells asked who answers the questions.

Rich Olsen answered that CI answers the questions during business hours. After business hours or when there is heavy volume, librarians will answer the questions.

Jeff Wells asked if someone at CI doesn't know the answer to a question, if the question is forwarded to a librarian.

John Thomas stated that there are queues that CI can forward the question and let the user know that they will get back to them. There would never be a case where CI said they didn't know the answer.

Other Business:

Rich Olsen reported that CI had two great meetings, both involving local government. CI and SIPA met with CGAIT, which was a fantastic meeting.

There was a lot more concrete information to give to the members of the group this time, which they really seemed to appreciate.

Jack Arrowsmith also pulled together three county clerks from Douglas, Larimer and Adams County to begin discussing eRecording as a part of the portal.

Jack Arrowsmith stated that there are many different solutions for eRecording in Colorado. It occurred to many that the portal might serve very well as a central, single point of contact. There is another meeting scheduled on Friday to discuss other possibilities.

There was also a meeting with the City and County of Denver to discuss some possibilities. Rich Olsen stated that he would report more as the meetings progress. They are now meeting on a regular basis.

Senator May stated that he is very pleased with the format of the monthly GM Report form CI. He asked that it be kept the same.

Rich Olsen stated that the format is pretty well set in stone at this point.

IV. Agenda Items for Next Meeting

1. Personnel Committee Report
2. Business Committee Report
3. Policy Discussion

Discussion:

Don Ravenscroft asked who calls the committee meetings.

Michael Cooke stated that she often works with Angie Onorofskie to coordinate the meetings. Generally the committee chair initiates meetings

Action Item: Don Ravenscroft will write a draft PMO Policy and attach a job description.

Jack Arrowsmith suggested that CI has offered the use of their very nice meeting rooms if anyone is interested.

Rich Olsen restated that anyone is more than welcome to use CI's facilities. The large conference room can hold 20-25 people. They also have a training facility and an open office for drop-ins.

Senator May suggested that action items only be tracked for twelve months. He also suggested coming up with a brochure about the portal.

Rich Olsen stated that a meeting is scheduled next week to begin working on collateral materials.

Senator May also added that from a PR and business perspective, it is important to include the Colorado and Denver Business Journal when we advertise.

Rich Olsen stated that in addition, CI would also be contacting associations and journals.

Don Ravenscroft added that the Secretary of State also gave many suggestions of places to go and people to visit.

Bob Feingold asked if press releases are sent to the Center for Digital Government.

Rich Olsen stated that NIC does send them to the Center Digital Government as well as several other national resources.

V. Presentation of Plaque to Gregg Rippy

Chairman Cadman presented Gregg Rippy, former Interim CEO of SIPA, with a plaque as a tribute to his service to the SIPA. Chairman Cadman stated that we certainly would not be where we are today without Gregg Rippy. Chairman Cadman stated that he can't thank Gregg enough, and he considers him truly to be the man who has everything.

Gregg Rippy thanked the Board for the plaque. He stated that as he got into government, it was very clear that he had a mentor, and that mentor was Senator May. He learned what the solutions are. He stated that eGovernment is about efficiency. He recommended that the Board never lose site of that because everything you do, you do for the citizens. This is often forgotten because in the eyes of the media, no story is good; instead they want controversy.

Bill Cadman again thanked Gregg Rippy, and he stated that it is getting really exciting to see what is happening with the portal. He also thanked the departments and others involved.

Next meeting is scheduled for:

Thursday, March 2, 2006

1:30 p.m. – 4:00 p.m.

Legislative Services Building

200 E. 14th Ave.

Audit Hearing Room, 1st Floor

Denver, CO

VI. Adjournment

The meeting was adjourned at 3:52 p.m.