



**Board of Directors Meeting Minutes**

**October 5, 2006**

**1:30 p.m. – 4:00 p.m.**

**Legislative Services Building**

**200 E 14<sup>th</sup> Ave.**

**Hearing Room A, 1<sup>st</sup> Floor**

**Denver, CO**

**I. Call to Order: 1:35 p.m. Vice Chairman Jack Arrowsmith**

**A. Roll Call**

Arrowsmith, Cooke, Feingold, May, Marroney, Picanso, Sobanet, Williams, T.

Excused: Cadman, Dennis, Wells

Dennis and Jenik arrived later in the meeting.

Quorum Established

**B. Introduction of Audience**

**C. Approval of September 7, 2006 Meeting Minutes of the SIPA Board of Directors**

**Discussion:**

Senator May pointed out that he believed that the referenced bill numbers listed on page two were incorrect.

Gregg Rippy replied that those would be verified.

**MOTION:**

To approve the September 7, 2006 meeting minutes of the SIPA Board of Directors, assuming correct verification of the referenced bill numbers.

May/Cooke

**APPROVED UNANIMOUSLY**

## **II. Committee Reports**

### **A. Business Committee, Michael Cooke**

Michael Cooke stated that at the last SIPA meeting she reported that there was a revision of the SIPA Business Plan. She explained that the second revision is out but comments have not yet been finalized. The committee hopes to bring back a final draft to the November meeting.

### **Discussion:**

Gregg Rippy asked for direction from the Board. He stated that after the Business Committee reports the SIPA Business Plan to the full Board, he would ask that the full Board not adopt the plan at the same meeting. He stated that, as Richard Westfall has pointed out, the business plan gives the Board the opportunity to set direction for SIPA. He added that each and every Board member should understand what is and is not in the plan.

Michael Cooke stated that she did not think that would be a problem. She added that the committee went through the plan to update it as required.

Gregg Rippy stated that it's more of a heads up to the Board that the business plan is coming, and we'd like for them to review it. It's one of SIPA's more meaningful documents.

Jack Arrowsmith asked if the business plan was the document that must be reported to the Senate.

Gregg Rippy answered no. He clarified that the document that must be submitted is the Annual Report, which is required six months following the end of the fiscal year or January 1. He added that it must be submitted to the Speaker of the House and the President of the Senate. Those two individuals may disperse the document where they feel appropriate. Gregg Rippy explained that the legislation requires that the Annual Report also be submitted to the IT Committee; however that committee no longer exists.

Jack Arrowsmith asked if the Annual Report would go before the Board or if the SIPA office would handle it.

Gregg Rippy responded that he would have a draft of the Annual Report available at the December meeting for the Board to review.

Senator May asked if there is any legislation needed for the plan.

Gregg Rippy explained that the determination of SIPA's year-end has not yet been finalized. He noted that he reported last meeting that the State Auditor's office still believes that SIPA's enabling legislation is silent in regards to the fiscal year. He stated that SIPA does not share that same interpretation. He stated that SIPA has made contact with the deputy attorney general, but he has been very busy so we haven't had the full conversation we desire. It is a timing issue. He

stated that he hopes we don't have to go to the legislature, but at the same time we believe the statute is clear. We are still waiting for further discussion.

Senator May asked if the fiscal year would affect the business plan.

Gregg Rippy responded that it does not affect the business plan, but it does change how we would report to the General Assembly. The business plan simply states what we are doing and how we are doing it. There is not a financial audit sheet in the business plan.

***ACTION ITEM: SIPA will bring a draft annual report to the Board of Directors in December.***

#### **B. Contracts Committee, Gregg Rippy**

Gregg Rippy reported that the only outstanding contract issue is that we are still trying to move forward on the EGE Agreement with the City and County of Denver. He noted that Richard Westfall met with the attorney for the City and County of Denver, and many of the same issues we have dealt with regarding EGE Agreements in the past have come up. He also noted that there were a couple of representatives at the meeting from the City and County of Denver. There are still some issues to work through with the City and County of Denver on the concept of the EGE and how the City and County would be protected. Gregg Rippy explained that we went through these same issues with Douglas County, and we were able to change some language to come to a consensus. He added that the intent is not to have 64 different EGE Agreements; rather we would like to have some uniformity. It is very important that we are timely on the issue because there is a lot of work hanging and a lot of great opportunities.

#### **C. Finance Committee, Henry Sobanet**

Henry Sobanet reported that two financial sheets were set out to the Board for the month of August. The net income for July was \$22,911.94, while net income for August was \$29,376.29. He stated that the balance sheet is robust, as total assets are just under \$220,000. He added that he has not recently met with Gregg Rippy to discuss the budget, but he would not expect much variance. He stated that unless Gregg Rippy has any comments, we are in good shape financially.

#### **Discussion:**

Gregg Rippy stated that a budget comparison could be created if that would be helpful.

Henry Sobanet responded that perhaps a quarterly budget comparison report would be helpful.

Gregg Rippy noted that SIPA is in a better position than the budget.

Senator May stated that he still had concerns about the revenue streams. He added that he thought we would have more than one revenue stream by now.

Henry Sobanet responded that he appreciated Senator May's comment. He stated that from the beginning of the concept of the portal, we've learned a lot about generating revenue. It sounds easier than it is. He added that ultimately it would be nice to have a few pennies here and there to reflect that there is a cost to running a portal. It also has to do with efficiencies of the agencies. He stated that Senator May is correct that our goal was and is to identify additional revenue streams. That said, our current revenue source has been stable and reliable.

Senator May stated that he would like to see the additional revenue source ideas, as currently we are so dependent on one source. He added that any time the Legislature is in session it is very dangerous.

Gregg Rippey stated that this discussion is exactly what the business plan should address. It reflects our desire to have revenue strengths. He explained that the Board creates policies, and the Business Plan is what the executive director looks to for direction. We are trying to find the appropriate balance between revenue and non-revenue generating applications, as well as the balance between state agency applications and local government applications. If the Board wants it to be a priority for the next year to identify revenue-generating applications, then the business plan is the appropriate document to note that. This is your opportunity to build the framework on what it is the Board wishes to concentrate on for the next year.

#### **D. Personnel Committee, Gregg Rippey**

Gregg Rippey reported that unfortunately he did have a personnel report. He explained that he knew the Board had been sent an email from Angie Onorofskie stating she is going to be doing something different. He joked that Angie assured him that it is not a reflection on the boss. Actually, she believes so strongly in the portal that she wants to take a more active role. She will finish with SIPA at the end of October and move to Colorado Interactive in November. He added that we have put up some employment advertisements, and we have some good candidates for the position. Hopefully in the next couple of weeks, we will have someone new on board. He stated that we only hope that we will be getting someone as good as she has been.

Jack Arrowsmith stated that it's nice that Colorado Interactive is adding women to their staff.

Gregg Rippey stated that he thinks it will be good for both SIPA and Colorado Interactive. It is a win-win situation.

### **III. New Business**

#### **A. Executive Director Report, Gregg Rippey**

Gregg Rippey stated that he would keep his report short this month, as we really want to hear about what Colorado Interactive is doing.

## *Office Space*

Gregg Rippy reported that the new office space has been a little frustrating. He noted that it's not the Department of Personnel and Administration causing the frustration; rather it is the building manager. It seems like an easy build out, but as many of the Board members have gone through remodels, you understand how it goes. He stated that the office should be ready by November. He stated that on a positive note, occupancy expenses have been very low.

## *Communications*

Gregg Rippy stated that SIPA continues to be active going out in front of groups and trying to figure out where we have weak communication spots. He added that we need to do a better job of communicating with the CIO Forum, as it is a very flux situation with new administration imminent. It's a difficult time for anyone to do projects not knowing who the administration will be. The executive directors seem to be clear and give direction to the staff. However, for major projects they are just a little reticent on January.

Gregg Rippy added that the great news is that local government is beating on our doors trying to get things to work. He added that he and Jack Arrowsmith would be traveling to rural Colorado, and it's exciting that we have something to offer Denver and Sedgwick equally. He stated that some of the more rural counties do not even have Web presence. NIC is working on a pilot program to help counties be able to do this. They haven't quite decided what it will look like, but it is very exciting.

## **Discussion:**

Senator May stated that he would like to take care of the issue with the State Auditor by November 15. He volunteered that he would be happy to work with Mr. Rippy on it.

Gregg Rippy stated that he and Richard Westfall have had conversation on what the legislation might look like, but he asked Senator May to wait a month to see how things go.

Senator May asked what would be included in the tax portal.

Michael Cooke replied that there are a number of things that they would like to include in the tax portal. They would like to make Netfile work with the portal for payment purposes so that an individual can use a credit card. Citizens can currently file income taxes online, but they have to download the form and mail it. In the long term, they would like to move this to the portal. There will also be the development of online sales tax filing. There is currently online zero file, but we would like to migrate those functions to the portal and develop and monthly online sales tax filing system.

Senator May asked about vehicle registration.

Michael Cooke responded that vehicle registration would be separate from the tax portal. This is currently being worked on, and it will be discussed in the GM Report.

Senator May asked about Cybertrust and the audits that will happen with the portals. He asked how SIPA is working with Mark Weatherford, and he asked if we were on the same boat with him in regards to what he is trying to do with HB 1157.

Gregg Rippy explained that Cybertrust is a firm that has been hired by NIC to handle cyber security for NIC companies such as Colorado Interactive. This is really a difference between quality assurance and quality testing. Cybertrust will make sure they can certify quality assurance, secure applications, firewalls, etc. If Mark Weatherford wants to test agencies or the portal, they can do that. We have had a lot of discussion with Mark Weatherford on what types of testing would be appropriate. We have also talked with IBM, which provides services similar to Cybertrust. It would be great if every agency could afford Cybertrust to perform an audit, but it is very expensive. We will be very confident with our security especially if we look at the portal as the beta test to be ready to do the test that Mark Weatherford wants to do.

Senator May stated that his main concern is that the main thrust in House Bill 1157 was to help all the departments develop a cyber security plan. He continued that he wanted to make sure it is all in concert with the portal so that it gets built into the plan. He added that he is mostly concerned about actually getting those plans into place.

Gregg Rippy asked for clarification, as he wasn't sure if Senator May was talking about security of the portal or agencies.

Senator May stated that he felt there was a connection between both.

Gregg Rippy agreed, however SIPA can only work on one.

Senator May stated that he just wants to make sure that what SIPA is doing is in line with the plans.

Gregg Rippy stated that the only way we could have that two-way is through work orders. For example, when we assess the readiness of departments and if we determine that there is a security laxity, then that is built into the work order. We would not accept any communication that puts the portal at risk. As far as telling any agency what kind of security they have to have, SIPA simply does not have the authority.

Senator May stated that he is not asking for that, rather he just wants to make sure the plans are set.

John Picanso suggested that perhaps the question that should be asked is whether or not Mark Weatherford worked with the portal to develop the state plan with the agencies. John Picanso stated that he thinks everything is coming together. When talking about a statewide security plan, Colorado Interactive may not be listed, but that doesn't mean that Mark Weatherford hasn't talked with the portal.

Gregg Rippy added that Mark Weatherford is even taking some of the portal best practices to the agencies. He stated that he just didn't want anyone to envision that SIPA is telling agencies what to do. We are working together on an ongoing basis, and we are on the same page.

Senator May asked if SIPA envisions Higher Education coming onto the portal.

Gregg Rippy stated that there are great opportunities with Higher Education.

Senator May stated that Higher Education is not included in HB 1157; instead they have a MOU in place.

Gregg Rippy stated that it is in everybody's interest that we have the best cyber security possible.

John Picanso pointed out that the University of Colorado is on board with the plan. They are in the process of getting the survey assessment done, and therefore Higher Education is certainly involved.

Jack Arrowsmith stated that he and Gregg Rippy would be traveling to Holyoke, and all Board members are invited to join.

## **B. General Manager's Report, Rich Olsen**

Rich Olsen explained that the reason he was not wearing a tie was because he was modeling the new Colorado.gov logo shirt. He added that they brought a shirt for each of the Board members.

Rich Olsen also responded to the earlier discussion regarding females on the Colorado.gov staff. He stated that there are currently four females on staff and a fifth would soon be joining. He hoped the issue could be put to rest. Additionally Rich Olsen thanked Gregg Rippy and the Board for allowing Colorado.gov to hire Angie Onorofskie. He stated that she is highly organized and would be a great project manager. He added that Colorado.gov is at a current staffing level of 17 and will have 18 employees by the end of the year.

### **Discussion:**

Gregg Rippy mentioned that the resources are actually higher than 17 because there are also subcontractors for content management, security, etc.

Gregg Jenik asked if Colorado companies were being subcontracted.

Rich Olsen stated that some are from Colorado, but they simply ask for bids on the jobs. They are currently using about five different companies.

Greg Jenik asked if CI's business plan would indicate needs so that opportunities would be visible to subcontractors.

Rich Olsen stated that they usually do not know how many subcontractors are needed until they get to that point. However, sometimes they know ahead of times for large projects such as MIDB.

Senator May stated that obviously additional resources are needed, as he can't believe all the stuff CI is doing currently. He explained that he is looking at 46 items that are up and running, and he stated that he sees no problem with hiring who ever necessary to get the job done.

Rich Olsen stated that in one year CI has added 14 staff, which is quite a learning curve. Looking through the report, it is evident that we are touching many different groups, which is very exciting.

### ***Project Highlights***

Rich Olsen stated that CI has taken a new approach to training for content management. So far Agriculture and Economic Development have been trained the new way. CI works with the staff to help re-architect the whole site, and then put them in the content management. This new approach has been great so far.

The portal will be accepting credit cards shortly. The Auto Dealers Salespersons Licensing Application would go live soon, which is the first application to use the payment engine. The infrastructure is setup, and portal funding has been great. Now the portal will look to grow through other mechanisms. Rich Olsen added that he has seen these come into play, and there are certainly many opportunities for revenue.

### **Discussion:**

Senator May stated that he sees six departments that are implementing the Google search engine. He asked if CI was going to bring all of the agencies into Google.

Rich Olsen stated that Colorado is not a mandated portal, rather anyone who wants to use us can. Implementing Google only takes a couple of days, and the hardest part is just getting all the paperwork completed. The Google search has brought several agencies on board with the portal. Some are still on Verity and others use proprietary search engines. We are here to help agencies if and when they choose to go with Google.

### ***Project Queue***

#### ***New Services This Period:***

Auto Dealer Sales Persons Licensing

Rich Olsen explained that Michael Cooke's team faced quite a few setbacks on this project, but it is finally rolling out. He explained that this application has a couple of different phases, and Medved Autos is the first pilot. It allows the dealership to track their salespersons and print their own licenses. We have not yet seen an application like this across any of the portals.

**Discussion:**

Jack Arrowsmith stated that John at Medved is extremely excited about this application, and he will be an excellent salesman for the project.

Rich Olsen stated that Jill Janicki is rolling out a marketing plan for this project, and he has asked her to outline a few things for the Board here today.

Auto Dealer Salespersons Licensing Application Marketing Plan, Jill Janicki

Jill Janicki stated that typically NIC portals utilize grassroots marketing. This allows portals to control costs by piggy backing what agencies are already doing. They also reach out to associations and appropriate and use NIC's national marketing resources. For this particular marketing plan, Jill Janicki explained that they presented to the Auto Dealers Association in August. They will be sending a notification letter to let the association know that the application is live. The press release has already been written, and the marketing plan is available for any Board members who wish to review it.

**Discussion:**

Senator May asked if the reason "There Ought to Be a Law" was disconnected was because the resources were not present.

Henry Sobanet explained that "There Ought to be a Law" is a very staff intensive application. If we create a vehicle for someone to make a suggestion, what is the proper follow up? Should we ask for a zip code or address so that we can send the suggestion to the person's senator or representative? Or, do we pay a full time staffer to answer questions? He explained that it is more complicated than it seems. Soliciting input from the public is laudable. We should explore options but within this framework, but we need to make sure it is staffed.

Senator May stated that the application should be removed altogether.

Henry Sobanet stated that if we were to have this application, we want to make sure that citizens get an answer.

Senator May asked if it can be taken off of Colorado.gov.

Henry Sobanet stated that the application is not live.

Jack Arrowsmith suggested that perhaps the application could be taken off of the GM Report.

Rich Olsen responded that it could certainly be removed from the report. He stated that the only reason it is included in the GM Report is to show that the work has actually been done. If it is okay, at the end of the report we can tally up the technical and maintenance and leave it there.

Rich Olsen stated that the other applications rolled out are content management. He mentioned that Agriculture is doing a fantastic job of using the content management system. Their templates are all set up, and they are using the system.

Senator May stated that John Picanso was the CIO at Agriculture, and he had a lot of influence on that.

Rich Olsen thanked John Picanso.

Jack Arrowsmith stated that there seem to be a lot of maintenance hours on the content management system. He asked of those would level out.

Rich Olsen explained that those maintenance hours are contributed to training, which includes helping to set up the Website, adding content, etc. He added that it's good to see those hours because it shows you the value you are getting out of the portal contract. You can show the legislature a quantifiable number that the state didn't have to pay.

Jack Arrowsmith asked if it still costs 85 dollars per hour.

Rich Olsen answered yes. The technical people provide the training.

Jack Arrowsmith stated that he would think that over time, the training could be moved out of the technical arena.

Rich Olsen agreed that eventually that could be the case. However, at this time, the technical people are working on the system and doing the training. Generally non-tenured people can conduct the training, however CMS is a different animal.

Greg Jenik asked if the training revamp has occurred. He also asked if there has been more success of retention.

Rich Olsen responded that, as he mentioned, CI is helping to architect the sites. Now when agencies leave the training, the entire template is set up. They don't have to go back and relearn the site. It will be done in this manner from now on. Rich Olsen added that OEDIT believes in the content management system enough that they have hired a contractor through CI to set up content management with several of the agencies. He will be a resource for departments that don't have resources to set up the system. It should work out very well.

Gregg Rippy added that this is really a wonderful deal. OEDIT saw within agencies the need for somebody to go out and help agencies. This is how vigorous CMS is being adopted. We're training not only at CI, but we will also have someone out on an ongoing basis. Content management was paid for with flexible federal funds. If we didn't have the self-funded model,

how would we continue to train? This is a perfect example of the success of the self-funded hybrid model. You just can't throw something out there and expect it to fail. We will have needs for additional revenue, as Senator May pointed out. A bad launch and a bad supported application is more harm than never doing it at all. We're handling it well to date.

### *Active Development*

Rich Olsen stated that several applications would be rolling out in October. The Agriculture weighing device required the payment engine to be modified to do multiple disbursements. This has been a double hitter because we could also improve the payment engine. It sounds like many agencies do it this way. We're hoping to roll out Douglas County as the pilot site for online vehicle registration in October. Also the Netfile online payment of income taxes is expected in October.

### **Discussion:**

Senator May asked if the report could be modified to show what has been done for DOR the way it has been done for Agriculture. He stated that he really likes the way Agriculture is listed all the way down. He added that CSTARS has about four or five parts that would eventually be coming up.

Michael Cooke stated that if Senator May was referring to the system; it would come up all at once. She explained that CSTARS has been launched at the state for title and registration transactions but only for state processed transactions and for titles issued out of the state. The county portion will be rolled out all at once, county by county.

Senator May stated that he didn't understand when those are expected to launch.

Michael Cooke explained that it wouldn't be included in the GM Report because it's not a portal project. Online vehicle registration is a portal project that will interface with CSTARS. However, CSTARS itself is the vehicle title and registration system that DOR is working with 64 counties to deploy.

Senator May asked which part is vehicle title and licensing and which is the sale of a new vehicle. He asked about yearly license renewals.

Michael Cooke responded that the online vehicle registration renewal is the portal piece. Titling is not part of the project. New transactions will not go through the portal.

Senator May stated that it would be really convenient to do that. He asked when it would be available.

Michael Cooke stated that they are pushing for the end of October. This will be a county-by-county project, and Douglas County will be the first county.

Senator May asked when the auto dealers would do the online process for titling and licensing.

Michael Cooke stated that there is not a system for online titling of new vehicles. That will still be a counter transaction.

Senator May stated that the dealer would still have to go down to the Clerk and Recorder to do the licensing.

Michael Cooke stated that John Thomas knows more about the grand plans. She explained that DOR is trying to get a system where dealers have some involvement in the initial registration so that we do away with temporary tags. This way, customers could drive away with the actual plates and get a sticker later.

John Thomas explained that the process Michael Cooke referred to is the pie in the sky right now.

Michael Cooke agreed that it would be down the road. However, she stated that when you get your renewal notice you could renew online.

Rich Olsen stated that it's neat when an application is built that snowballs into other things.

#### ***Financial Report***

Rich Olsen stated that the financials have remained constant

#### ***Project Costs***

Rich Olsen asked the Board to look at the project costs, which continue to grow. He explained that applications are not free; rather they are not paid for by the state.

#### **IV. Additional Discussion**

Senator May stated that from a marketing perspective, he noticed on the chart on page 12 that it looks like there was a big peak in metrics last April and they are down a little bit now. He stated that he would think that we could get cards that we could pass out to direct people to Live Help. He added that he puts it on his own cards, but he asked if more traffic could be handled on Live Help. He stated that if we have something to pass out to people, it might get more hits.

Rich Olsen agreed that maybe a wallet card would be a good idea.

Senator May agreed, and he added that we could pass it out all over the place. He stated that Tim Jackson with the Auto Dealers Association has a great relationship with the Colorado Springs and Denver Business Journal, and perhaps we could get some good exposure.

Rich asked if Senator May knew Mr. Jackson.

Senator May answered yes. He suggested that perhaps we could get the legislative staff up to date on the portal. He explained that it would do a lot for us if they were aware of what we were doing. He stated that this could be a great opportunity.

Rich Olsen agreed that it would be a great idea, and he added that they did that in Montana when he was there.

Jack Arrowsmith stated that he saw the comment on page three regarding revenue being below average, and he asked if it referred to the month or year.

Rich Olsen explained that it was a typo, and it should say that revenue is stable.

Jack Arrowsmith stated that he is also anxious to see how the eRecording project is going. He stated that he assumed it would move forward in the near future.

Rich Olsen stated that eRecording is currently in Tier 3. It should be included in the report, but it isn't for some reason. We have an EGE Agreement and a project request. We just need to start working on the work order. It's not being ignored.

Gregg Rippy stated that we are at a point where we need to make a decision regarding eRecording. We looked at eRecording originally as a two county pilot. He stated that some discussions should take place with Denver. He asked if we could e a pilot with only one county since Douglas is the only county ready to move forward. We just need to work through it and determine whether or not it is scalable. The pilot can't be too small, and the problem with only doing a single county is that you work with only one vendor. The idea is to work with multiple vendors, so if we work with only one county will it truly be a pilot? Gregg Rippy stated that some time simply needs to be spent discussing.

Senator May stated that he could help with the title companies, banks and credit unions.

Gregg Rippy stated that we're doing quite well on the business side of it. It's the public side that we're taking a look at as far as what we need to put into this to show value. The real value is for credit unions that do business in more than one county because they would only have to have one solution. The benefit is that we not only give benefits to the Clerks and Recorders, but also that they have the concept of buy one use many.

Senator May stated that he worked on the oversight committee a couple of years ago and the City and County of Denver was six months behind in recording. He stated that it is a tremendous risk for businesses.

Gregg Rippy stated that it couldn't have been too recently, as he carried a bill in 2004 that requires recording in seven days.

Senator May stated that there are probably several that are behind.

Gregg Rippy added that the real risk is title companies doing title insurance. The worse case scenario is that we're not going to disperse funds.

Senator May asked if any efforts have been given to brief the SIPA program to the CACI Board. He added that they are having their annual meeting soon, and he thought they might give him some time.

Rich Olsen stated that Colorado Interactive is a member of CACI and attends regularly.

## **V. Agenda Items for Next Meeting**

None specific.

### ***Next meeting is scheduled for:***

Thursday, November 2, 2006

1:30 p.m. – 4:00 p.m.

Legislative Services Building

200 E. 14<sup>th</sup> Ave.

Hearing Room A, 1<sup>st</sup> Floor

Denver, CO

## **VI. Adjournment**

The meeting adjourned at 3:10 PM