



**Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 East 14th Street, Des Moines, IA 50319
Meeting Minutes September 23, 2024**

FINAL

The Iowa Telecommunications and Technology Commission's meeting occurred on Monday, September 23, at 10:30 a.m. in the Grimes State Office Building, ICN Thompson Conference Room, 400 E. 14th Street, Des Moines, IA. To ensure the most efficient use of State resources, the ITTC meeting also included a video conference connection pursuant to Iowa Code section 21.8. A video conference ensured that more Commissioners, staff, and the public were able to participate in the meeting. The meeting was accessible to members of the public.

Roll Call:

Commissioners Present

Steve Olson, Chair
Bob Holz, Member
Brett Mason, Member
Carmine Boal, Member
John McCormally, Representing the State of Iowa Auditor, Ex-Officio Member

Commissioners Absent

Denise Sturm, Member
Matt Behrens, Representing the Chief Information Officer, Ex-Officio Member

Iowa Communications Network Staff

Ryan Mulhall, Executive Director
Mark Johnson, Chief Administrative Officer
Scott Pappan, Chief Technical Officer
Patricia Townsend, Chief Financial Officer
Mike Cruise, Director of Finance
Patrick Kazeze, Director of Networking and Engineering
Stephanie DeVault, Director of Business Services
Brian Clayton, Executive Officer 2
Eric Porter, ICN Sales Engineer
Lori Larsen, Executive Officer 2 (Recorder)

Guest Attendees

Ray Warner, Aureon
Sean Cory, Lumen
Mark Siebenburgen, Lumen
Daniel Stalder, Iowa Communications Alliance
Andrew Greenberg, AAG
David Merchan, AAG
William George, DOM DoIT
Joey Lovan, LSA

Call to Order:

Chair Olson called the meeting to order at 10:35 AM. It was noted that a quorum was present.

Approval of the July 22, 2024 Meeting Minutes:

Chair Olson requested a motion to approve the July 22, 2024, meeting minutes. Commissioner Boal moved to approve the minutes. Commissioner Holz seconded the motion.

The motion passed unanimously.

Approval of the August 26, 2024 Meeting Minutes:

Chair Olson requested a motion to approve the August 26, 2024, meeting minutes. Commissioner Boal moved to approve the minutes. Commissioner Holz seconded the motion.

The motion passed unanimously.

Old Business:

None.

New Business:

Agency Updates

Contracting Update – Mike Cruise

- **Indianola Municipal Utilities (IMU)**
 - Colocation – ICN moving from the high school to IMU, We have provided documentation for IMU's review.
- **ITB for connection to Denver** – Three bids were rejected. ICN revised the ITB and released with a September 3 due date; these bids were not favorable. We are seeking clarification from one vendor.
- **OpenGov** – Working through the implementation with a goal to be live later this fall/early winter.
- **Data Power** – We are working through documentation for purchase of Liebert AC units for the Lucas switch room.
- Various support and fiber renewals.

COMMENTS

None

Finance Update – Mike Cruise

Monthly Revenues and Expenses:

The month of August resulted in an operating margin of negative \$623,510, which is 25.8% of revenue. This is \$394,430 unfavorable to the budget, which was negative \$229,080.

Revenues were unfavorable for the month by \$201,000. While MVS, SIP, and traditional voice were all favorable; Zoom had no new billings in the month, so that represents \$25,000 of the unfavorability. Reminder that that service is billed annually, so the revenue only will appear in one month. Internet

was down 10.5% representing another \$53,000. OSP revenue was 65% unfavorable with new build revenue being down \$86,000 and relocate/repair cost recovery was \$56,000 lower than budgeted for the month.

Direct expenses were favorable to budget by \$1,768. Total allocated indirect expenses are a combined \$194,736 unfavorable to budget. Driving that figure is OSP expense being \$387,000 above budget. \$248,000 of that was one project in Manchester for which the final 2/3 of a \$370,000 purchase order was billed. We also paid \$95,000 for the Lucas upgrade project.

Year-to-Date (YTD) Revenues and Expenses:

Through August, we have an operating margin of negative \$554,441, which is \$179,000 favorable to the budget of negative \$733,000. Revenue is \$316,000 below budget and \$235,000 is due to OSP.

Direct expenses are now \$21,000 favorable to budget through August.

Total allocated expenses are \$473,000 favorable to budget.

We knew August was not going to look good and much of that was expected. There is still about \$250,000 in annual expenses that are budgeted but yet to hit the books.

Comparison to Fiscal Year August FY24:

Revenue is unfavorable by \$226,000. Direct expenses are \$36,000 favorable. Allocated expenses are a combined \$410,000 unfavorable. Overall, we are \$673,000 unfavorable to last August.

Year-to-Date Comparison to FY24:

Revenue is unfavorable by \$343,000. Direct expenses are \$1,100 favorable. Allocated expenses are a combined \$145,000 unfavorable. Overall we are \$486,000 unfavorable comparatively through August FY24.

Other:

- Final FY24 billing budget-to-actual will not be ready until the beginning of next week. We are now closed for the FY and completing final reporting.
- The final FY25 budget adjustments were completed. Through updating expenses with known amounts, updating revenue from price changes, and removing duplicated items there was \$77,000 added to the original budget, making the bottom line a little over \$2.2M in the negative from a little over \$1.8M.
- Implementation of the OpenGov budget continues and we are currently working on reviewing the FY26 capital budgets submitted by the managers through the online OpenGov application. Those will be finalized and will be added to the operating budget. We don't have much analysis for the operating budget in the fall. We are working through the OpenGov budget book and our indirect expense allocations in preparation for the spring budget cycle at which time the final FY26 budgets must be completed.
- An offer for the circuits billing position to replace Diane Kroll and more recently Todd Meyer has been accepted. It will be another former ICN employee returning. Michael Holzapfel who worked for many years in the voice tech realm in operations will begin on September 30.

COMMENTS

Commission Mason asked when finishing in the red, how much of that is caused by the delays in our projects due to Lumen?

Mike Cruise said I don't think a lot of that is impacted by that. It includes some of the newer projects that are fairly cost consuming and revenues being where they are at.

Commissioner Boal asked what is OpenGov?

Mike Cruise explained it is our new accounting system we are implementing. It will replace our current system. It will include budgeting, procurement, and a financial system.

Commissioner Boal asked if this is available to the public?

Mike Cruise said that it was not. It is an application available for internal use.

Chair Olson asked are we making progress on creating a 5-year project plan?

Mike Cruise said yes that is part of moving into OpenGov, which will allow us to have a running 5-year plan.

Business Services Update – Stephanie DeVault

Service Updates: No new customers & no new waivers.

Order Highlights

Government

- Iowa State Patrol, Post 8: Recabling infrastructure and adding new MVS phones.
- We have three national-based connections for DPS to the Oran Pape State Office Building: two are for the FBI and one is for the NCIC database.
- Two LMR orders for DPS fleet supply.
- Department of Corrections has diverse carrier connections to AGT. We made sure that datacenter was redundant by adding two additional connections.
- Upgraded the following Health and Human Services (HHS) locations: Independence, Cherokee, Spencer, Eldora, Woodward, and Marshalltown.
- Iowa Public Broadcasting Service added eight locations.
- Iowa Racing and Gaming had a Zoom order.
- Iowa National Guard placed a bulk circuit increase with 43 locations.
- Attorney General's Office has added Zoom.
- Working on an immediate Voice order for the Secretary of State for election security.

Higher Education

- Upper Iowa University ordered an Internet connection.
- UNI ordered a diverse fiber path.
- Kirkwood community college placed Ethernet orders.

E-Rate Update

E-Rate started last week. We are reaching out to our current customers.

Additional Items

- Working on adding new products to our business.
- Completed with 90% of renewals for the calendar year.
- Judicial is moving forward with bringing the wireless failover service to all court houses in Iowa.

- There is a FirstNet demonstration that will happen on Wednesday, September 25.

Marketing and Communications:

- Our Peer to Career session was on September 9 with a guest from Iowa One Call.
- SYBAC started their session this year on September 10. We have 20 students involved this year. Their first guest was Ryan Mulhall explaining the ICN. Many schools have shown their support on social media.
- ICN's representation on TAI roundtables and committees is being updated.
- ICN is meeting with TAI leadership in October.
- ICN sent information to all PSAPs about the upcoming FirstNet Tech Showcase for Wed, September 25.
- ICN will have representation at the Iowa's Digital Government Summit on September 26.
- Communications team continues to update social media and the website.

COMMENTS

None

Network Services Updates

Network Operations & Security Update – Scott Pappan

- **Aggregation Replacement:** 65 sites are completed with 91 sites ongoing. Discussed delivery issues with chip sets.
- **DAS Point of Sale** – Possible opportunity with the failover service working with the elevators and fire panels.
- **VPN Installation:** This project is ending soon. The final cut was last week.
- **ICN Internal Zoom Move:** Our Operations group is moving its Voice service to Zoom.
- **State Firewall Decentralization:** There are 3 or 4 agencies left. A project update was provided.
- **DDoS Mitigation Platform:** This upgrade is moving forward. We had a small slowdown since the platform was not routed correctly.
- **FirstNet:** Failover service includes 79 PSAPs.
- **Virtualization Platform:** We have brought two different services together. Our storage and server refresh into one process.
- **Peering:** Denver route is being refreshed. Pricing should be done and decision should be made in the near future.
- **City of Des Moines:** We are working on colocation service.
- BOREAS is also in progress.
- **FNS Audit:** In phase 2 and includes 80+ sites.
- City armory status is being moved and is planned to open in Spring of 2025.
- **Outside Plant Update:** New projects for August was 15, and we closed 18. We had 9 outstanding unpaid projects.

COMMENTS

None

Facilities and TAC Updates – Patrick Kazeze

Facilities

The JFHQ chiller project reached a milestone. The new system was turned up, with the first Computer Room Air Conditioning (CRAC) units being brought online. All four CRAC units were running. They ran into a snag with one of the external chillers. The first chillers operated, but the remaining external chillers did not. It was decided that there was enough reserve capacity in the one chiller that was up and running to be able to carry not only the entire ICN data rooms' four new and much larger CRAC units, but also DOM-DoIT's additional two new units.

We have all of the temporary and supplemental cooling hardware torn down, and we have been running off the new units and one Chiller. The entire data room was down to the low 60-degree range. We are exploring the possibility of adding a fifth CRAC unit, because the project is significantly under budget.

Two more potential moves coming:

- Shenandoah Armory will be moving to a brand-new facility located in West Des Moines. The old site will be decommissioned. We will need to review our circuits and ensure that we don't have other customers impacted by the decommissioning.
- Pocahontas High School will be tearing down a building, so we will need to relocate our equipment.

Denison relocation project is ongoing. Concrete work comes next followed by permanent reconstitution of our equipment.

TAC

Completed several projects spanning multiple buildings and multiple floors on the Capitol Complex.

Working other projects on behalf of DAS, with one of the projects being to assist with the relocation of the Attorney General's staff. Project is on track to be completed.

Additional work continues for 6200 Park Avenue.

Cost estimate requests coming into TAC.

There was discussion about the new FCC nutrition label requirement for all telecommunications providers for Internet service. These labels are to help consumers learn about their Internet service and the applicable fees. ICN is working on generating the labels.

COMMENTS

None

Other Business:

Organization Changes – Ryan Mulhall

The following organization changes were presented:

- Policies will get reviewed and have tweaks.
- No change in vision and mission.

- How the agency prioritizes projects and tasks will be changing.
- The organization chart will change after October 4th when Mark Johnson retires.
 - The agency will return to a two-division structure: Agency and Carrier Divisions.
 - Under the CTO/COO (Carrier Division): Business Services with Stephanie DeVault; Network, Engineering, and Project Management with Patrick Kazeze; Facilities, Outside Plant, and TAC under a new hire that is currently open for applications.
 - Under the CFO (Agency): Finance with Mike Cruise and Contracting.
 - Bureau Chief titles will be changing to Director of designations.
 - Our Communications Team and Administrative Assistant will report to the Executive Director.
 - Ryan Mulhall will handle the upcoming legislative session. The agency will likely hire a Legislative Liaison sometime in the spring that will report to the Executive Director.

The ICN also has a new representative with the Attorney General's office, Assistant Attorney General David Merchan will replace Jeff Peterzalek. We are grateful to Jeff for his multiple tenures helping and representing the ICN from the legal perspective through the years.

COMMENTS

None

ITTC Committee Updates – Staff/Commission

Personnel Committee – Ryan Mulhall

Meeting Date: September 11

Attendance: Chair Olson, Commissioner Holz, and Ryan Mulhall.

Topics Covered:

- Discussed Mark Johnson's retirement notice and the plan going forward for the organization chart and backfills.

Finance Committee – Mike Cruise

Meeting Date: September 16, 2024.

Attendance: Commissioner Holz, Ryan Mulhall, Patricia Townsend, Brian Clayton, and Mike Cruise.

Topics Covered:

- Contracting update.
- FY25 budget-to-actual as presented today.
- Talked about starting to use OpenGov and Pipedrive for long-range budgeting.

Customer and Services Committee – Stephanie DeVault

Meeting Date: September 18, 2024.

Attendance: Commissioner Mason, Commissioner Boal, Ryan Mulhall, Stephanie DeVault, and Lori Larsen.

Topics Covered:

- Presented what was listed today.
- Upcoming products we are working on and projects.

Technology/Operations Committee – Patrick Kazeze

Meeting Date: September 18, 2024

Attendance: Commissioner Mason, Commissioner Boal, Ryan Mulhall, Patrick Kazeze, Stephanie DeVault, Eric Porter and Lori Larsen.

Topics Covered: Ongoing projects and internal situations.

Public Comment:

Mark Johnson addressed the Commission. My career has been through 41 years with a single thread of the legislative process touching each of my positions. I have been very blessed working with the drafting agency that created the legislation about the ICN. I feel fortunate to having my career come to an end with the ICN.

Ray Warner congratulated Mark Johnson regarding his upcoming retirement.
Commissioner Mason expressed his congratulations to Mark Johnson.

Adjournment:

The ITTC meeting adjourned at 11:21 AM.

ATTESTED TO:



Steve Olson – Chair, Iowa Telecommunications and Technology Commission