



**Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 East 14th Street, Des Moines, IA 50319
Meeting Minutes April 17, 2025**

FINAL

The Iowa Telecommunications and Technology Commission's meeting occurred on Thursday, April 17, at 11:00 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
Denise Sturm, Member
Drew Stensland, Representing the State of Iowa Auditor, Ex-Officio Member

Commissioners Absent

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

Iowa Communications Network Staff

Ryan Mulhall, Executive Director
Scott Pappan, COO/CTO
Patricia Townsend, Chief Financial Officer
Mike Cruise, Director of Finance
Patrick Kazeze, Director of Networking and Engineering
Stephanie DeVault, Director of Business Services
Connor Kuehl, Director of Facilities
Brian Clayton, Executive Officer 2
Lori Larsen, Executive Officer 2 (Recorder)

Guest Attendees

David Merchan, Iowa AAG
Kyle Holmgren, High Point Networks
Alex Mead High Point Networks
Michael Eischeid, Granite
Ray Warner, Aureon
Bill George, DOM DoIT

Call to Order:

Chair Olson called the meeting to order at 11:00 AM. It was noted that a quorum was present.

Approval of the March 20, 2025 Meeting Minutes

Chair Olson requested a motion to approve the March 20, 2025, meeting minutes. Commissioner Sturm 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

- Master Services Agreement (MSA) with Department of Management, Division of Information Technology (DOM-DoIT): We are working on language with them and ICN.
- Lumen Voice Services: We are working on a sole source agreement for voice services and updating toll rates which will be lowered.
- Gigamon security hardware and software: This will spend the remaining funds from the FY23 security appropriation.

COMMENTS

None

Finance Update – Mike Cruise

We changed our finance committee meeting to include more of the analysis of the regular financials. Along with the traditional financial statements, we have ratio metrics we track monthly. The quick ratio is a measure of the ability to meet short-term obligations. Our goal is set at 1.5 and for March we are at 2.01, so we are meeting that metric.

We track 'Days Cash on Hand'. This measures the number of days we can cover operating expenses. Our goal is 60 days and through March we are at 42.25 days. This has initiated some steps in our cash management policy. The biggest step is to halt all new capital spending until 2Q-FY26. Another step is to take advantage of paying on terms within the State policy of 60 days, before we are allowed to be charged a late fee or interest.

Mike Cruise provided an overview of the Statement of Revenues, Expense and Changes in Equity. He reminded the Commission this is compared to last Year To Date (YTD) not the budget for FY25.

Monthly Revenues and Expenses:

The month of March resulted in an operating margin of negative \$52,320. This is \$112,000 favorable to the budget, which was negative \$164,000.

Monthly Recurring Charge (MRC) revenues were unfavorable for the month at \$26,626. However, \$50,000 of that was the decrease in inmate calling meaning the other MRC was actually up \$23,000.

Direct expenses were favorable to budget at \$8,700.

All allocated indirect expenses are favorable with the exception of operating expenses, which were \$51,000 unfavorable.

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

For March, we now have an operating margin of negative \$2.16M which is \$321,000 unfavorable to the budget, which is negative \$1.84M. MRC revenue is now \$64,000 favorable to the budget.

Direct expenses are \$249,000 unfavorable to budget through March. Total allocated expenses are \$211,000 favorable to budget.

Other:

- OpenGov/Billing System – We continue to move forward on those two projects.
- We are inactivating cash management steps and working on documenting our A/R process.
- Finishing up FY24 audit. We did the exit interview and conference meetings for FY21, FY22, and FY23 audits.
- We are in the FY26 budget proposal cycle. The Finance Team is in collaboration with all leadership. Draft number three will be distributed to ITTC's Finance Committee. The final draft will be completed by May 8, so we can distribute and present the budget for approval for the May 15 ITTC meeting.

COMMENTS

Scott Pappan asked about the dollar amount that ICN absorbed on behalf of the Lucas State Office Building. Is that incorporated into this number?

Mike Cruise said yes, that is in the allocated operating expenses.

Commissioner Mason asked about inmate calling and if this is a change that we can expect?

Mike Cruise said this is a change and the federal FCC made a ruling that providers needed to cap rates to four cents.

Scott Pappan said to support Finance, ICN is going to have the DMS500 decommissioned.

Business Services Update – Steph DeVault

Service Updates:

Our monthly goal in Business Services is to close 30 new opportunities and roughly around \$13,000 in new revenue per month. In February, ICN closed 41 opportunities and roughly \$11,000 in new revenue. In March, the team closed 30 opportunities and roughly around \$25,000. The delta between the two months was 140% growth. The Business Services team sold 140% more than we did in February.

Education

For E-rate, we did have seven win-backs (new customers from last year). When we closed 2024, we had \$1,277 in new logo growth (new customers). This year we closed with \$4,132 with new logo growth, and closed with a total revenue of \$19,144.17. As an agency, we lowered our rates to make ICN more competitive.

Commissioner Sturm asked if the numbers are monthly? Is this all recurring revenue?

- Stephanie DeVault said it is monthly reoccurring revenue, and we will start billing in July.
- Scott Pappan provided an overview of the new revenue reporting system.

Commissioner Sturm asked are the number reporting Net, above what Scott said?

- Stephanie DeVault said yes.

DMS500: Since November, Business Services has been reviewing everything that hits the DMS500 long distance switch. A business plan has been put together and sent to the leadership team. If we do move services to another platform, ICN will be saving 66.44% per month. This does not include any long-standing support contracts. An email communication is planned to be sent to customers.

Business Services will be working on KPIs for the project management team. A customer installation survey will be going out this week.

COMMENTS

None

Network Services Updates

Network Operations & Security Update – Patrick Kazeze

Internal Audit: Our division has begun an internal audit to identify all the applications on our Network. Once compiled, we will go through and validate each one and remove legacy applications where we can. Next, we will review our software licenses and do the same. We will also look at consolidating applications and licenses as much as possible.

Aggregation Hardware: We are moving to get our next round of aggregation hardware purchases committed. With the waiver in place, we have a small window to get that order in and we are seizing the opportunity.

Core Upgrades: We continue to make steady progress on our core upgrades. We have 62 in service and another 17 being configured for deployment.

State Firewall: A milestone was hit! Last week we removed our last customer from behind the State Firewall.

COMMENTS

None

Facilities and Inside Plant (TAC) Updates – Connor Kuehl

Facilities

- Increasing Revenue
 - Outside plant had a couple of wins this month. Passed a potential opportunity to the sales team.

- We met with a couple of public partners that are interested in leveraging our professional services.
- Decrease Expense
 - All of our teams reviewed the capital budgets. Finance has provided an average for the last couple of years. To know a target to stay under on the capital side and how to decrease expenses.
 - We have several meetings to collaborate and understand our financial structure and expenses.
 - Outside Plant has worked on recouping expenses and it continues to pay dividends. This month we submitted two executive council claims.
- Improving Customer Outcomes
 - Sent customer satisfaction surveys for our network operations center. Small sample size, but positive remarks.
 - Sent end of support messaging to customers in regard to the DSM500.
- Making our Jobs Easier
 - What does our service delivery workflow look like across the teams? How a task needs to route through our organization from book to bill.

COMMENTS

None

Legislative Update – Executive Director Ryan Mulhall

We have passed the second funnel now, and both the House and Senate are debating bills on the floor and working on funding bills.

- One of those appropriations bills is Senate Study Bill 1218, with an appropriation request from the Rebuild Iowa Infrastructure Fund for \$2 million to add fiber redundancy at JFHQ. This is in conjunction with the National Guard and Homeland Security and Emergency Management due to the importance of the facility for communications for those critical entities, like the 911 network. Could also help with redundancy at the State Emergency Operations Center when activated. That is one we will follow closely throughout the process.
- House File 879 relating to critical infrastructure sabotage and making penalties passed both the House and Senate and will make its way to Governor Reynold's desk. This would create significant penalties up to \$85,000 fines for damaging communications infrastructure. We have seen an uptick in recent years of our fiber being damaged, presumably by individuals thinking it is copper.
- Commissioner Mason's reappointment to the ITTC and my appointment passed through the Senate Technology Committee on April 1. The confirmations will be voted on by the full Senate on the en bloc calendar.
- FCC: The Supreme Court heard oral arguments on March 26 in the case of FCC v. Consumer's Research challenges the constitutionality of the Universal Service Funds (USF). This directly relates to the E-Rate and Rural Healthcare Programs our customers used to pay for services. It also relates to the telecom industry in Iowa where companies received \$193 million last year from the High Cost Service Area program. The Court's decision is expected to be rendered in late June or early July.



COMMENTS

None

Other Business:

ITTC Committee Updates – Staff/Commission

Personnel Committee – Executive Director Ryan Mulhall

There was no personnel committee meeting for April.

Finance Committee – Mike Cruise

Meeting Date: April 14, 2025.

Attendance: Commissioner Holz, Commissioner Sturm, Executive Director Mulhall, Patricia Townsend, Brian Clayton, and Mike Cruise.

Topics Covered:

- Brian Clayton provided the detailed update on contracting.
- The FY25 budget-to-actual as presented today.
- Talked about the FY26 and 5-year budgeting process.

Customer and Services Committee – Steph DeVault

Meeting Date: April 16, 2025.

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

Topics Covered:

- Series of goals throughout the year.
- Updated on projects

Technology/Operations Committee – Patrick Kazeze

Meeting Date: April 16, 2025

Attendance: Commissioner Mason, Commissioner Boal, Scott Pappan, Patrick Kazeze, Stephanie DeVault and Lori Larsen.

- Highlighted that we moved the last customer off the State Firewall. There is some cleanup that needs to be done.
- Talked about doing a better job with educating the public and selling ourselves. One idea was to have a booth at the Iowa State Fair.

Public Comment

Director Mulhall added that we had a good turnout for our SYBAC Day with our high school students. This was the most engaging group of students. Very interactive with each other and the leadership team. They met with legislators and went out on the House floor.



Adjournment

The ITTC meeting adjourned at 11:43 AM.

ATTESTED TO:

A handwritten signature in black ink, appearing to read "Steve Olson".

Steve Olson – Chair, Iowa Telecommunications and Technology Commission