



Iowa Telecommunications & Technology Commission

Grimes State Office Building, 1st Floor

400 E. 14th Street, Des Moines, IA 50319

October 19, 2016

To ensure the most efficient use of State resources, the October 19, 2016 ITTC meeting was held via video conference pursuant to Iowa Code section 21.8. A video conference also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance via Phone Bridge.

I. Roll Call:

- **Commissioners Present:**

Richard Bruner, Chair (on-site)
Timothy Lapointe, Member (on-site)
Kathleen Kohorst, Member (on-site)
Kelly Dolan Lange, Member (phone)
Mary Sellers, Member (phone)
Mary Mosiman, Ex-Officio (on-site)
Robert von Wolfradt, Ex-Officio (phone)

- **Commissioners Absent:**

None

- **Iowa Communications Network Staff Present:**

Ric Lombard, Executive Director
Phil Groner, Chief Operations Officer
Mark Johnson, Chief Administration Officer
Deb Evans, Chief Financial Officer
Jessica Jensen, Executive Administrator (Recorder/Minutes)
Randy Goddard, Business Services Bureau Manager
Scott Pappan, Engineering Bureau Manager
Mike Cruise, Finance Bureau Manager
Dave Marley, Operations Bureau Manager
Lori Larsen, Communications Lead
TJ Boulet, Legislative Liaison

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- **Guests:**

Ray Warner, Aureon
Anna Hyatt, House Democratic Staff

II. Call to Order

- Chair Bruner called the meeting to order at 10:30 a.m. It was noted that a quorum of members were present for the meeting.
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III. Approval of September 15, 2016 Meeting Minutes

- Chair Bruner requested a motion to approve the September 15, 2016 Meeting Minutes. Commissioner Kohorst moved to approve the minutes. Commissioner Lapointe seconded the motion. The motion passed unanimously.

Commissioner Kohorst – Yes
Commissioner Lange – Yes
Commissioner Lapointe – Yes
Commissioner Sellers – Yes
Commissioner Bruner – Yes

IV. Old Business:

- **None**
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V. New Business

- **2017 ITTC Meeting Schedule – Jessica Jensen**

2017 ITTC regular meetings are scheduled for the third Thursday of every month as identified below. Every other month is intended to be an in-person meeting. The alternating months will be a video or conference call meeting for the ITTC Commission

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only and in person for the public, unless otherwise determined by the Chair. All meetings are subject to cancellation as determined by the Chair. Also, additional meetings may be called by the chair, if necessary.

Proposed 2017 Schedule:

DATE	TIME	LOCATION
January 19, 2017	10:30 am - 11:30 am	Thompson Conference Room
February 16, 2017	10:30 am - 11:30 am	Thompson Conference Room
March 16, 2017	10:30 am - 11:30 am	Thompson Conference Room
April 20, 2017	10:30 am - 11:30 am	Thompson Conference Room
May 18, 2017	10:30 am - 11:30 am	Thompson Conference Room
June 15, 2017	10:30 am - 11:30 am	Thompson Conference Room
July 20, 2017	10:30 am - 11:30 am	Thompson Conference Room
August 17, 2017	10:30 am - 11:30 am	Thompson Conference Room
September 21, 2017	10:30 am - 11:30 am	Thompson Conference Room
October 19, 2017	10:30 am - 11:30 am	Thompson Conference Room
November 16, 2017	10:30 am - 11:30 am	Thompson Conference Room
December 21, 2017	10:30 am - 11:30 am	Thompson Conference Room

- Chair Bruner requested a motion to approve the 2017 ITTC meeting schedule as presented. Commissioner Sellers moved to approve the schedule. Commissioner Lapointe seconded the motion. The motion passed unanimously.

Commissioner Kohorst – Yes
Commissioner Lange – Yes
Commissioner Lapointe – Yes
Commissioner Sellers – Yes
Commissioner Bruner – Yes

- **ICN Dashboard – Ric Lumbard & Phil Groner**

Lumbard: The process to establish the ICN dashboard has taken approximately a year. The goal of the dashboard is to provide a strong, situational awareness for what is going

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on in the agency. The dashboard is a way to provide the agency and the commission with a quick reference for the health of many different areas in the agency.

- KPI (Key Performance Indicator) - Phil Groner

The leadership of the ICN came together and decided what information to use and relevant to show in a dashboard with agency KPI metrics. The information identified is what the ICN will use as their vital signs. The KPI's are updated monthly.

- Dashboard – Ric Lumbard

The dashboard is a quick reference and visual for the KPI's to be displayed. We will use them to display the health of the organization.

COMMENTS:

Bruner: What a management tool. I realize that you will be calibrating this over the next year, but it is a great tool and very advanced for business as well as state government.

- **Finance – Mike Cruise**

- **OVERALL**

- All reports reflect activity from fund 0645 only with the exception of the Appropriation Equipment page. Operating margin for the month ending September 30, 2016 was a negative \$2,278,233.84 for a year-to-date total of a negative \$2,243,648.19 (-27.19%). The large negative amount is due to the purchase of core upgrade equipment and maintenance of over \$2.2 million.

- **MAIN SERVICE COST CENTERS**

- Voice Services – Voice services for the month of September produced a gross margin of \$113,513.03 and an operating margin of negative \$74,151.14 for a year-to-date total of negative \$628,746.43 (-33.43%).
- Video Services – Video services for the month of September produced a gross margin of negative \$13,907.08 and an operating margin of negative \$29,707.01 for a year-to-date total of negative \$117,604.06 (-98.99%).
- Transport Services – Transport services are defined as all types of circuits used to carry services over the network. This includes legacy ATM/Sonet data, Ethernet, IRU's and wireless transport methods. Transport services for

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the month of September produced a gross margin of negative \$797,609.44 and an operating margin of negative \$1,382,485.27 for a year-to-date total of negative \$675,660.56 (-15.36%).

- Internet Services – Internet services have been separated from the Data cost center we have reported in previous years. It includes only those revenues and expenses directly identified as internet only or that which is not billed as Ethernet and internet combined. Internet services for the month of September produced a gross margin of negative \$140,189.10 and an operating margin of negative \$333,832.68 for a year-to-date total of negative \$181,350.46 (-11.41%).
- Security Services – Security services is a new cost center that ICN has just started to offer. In the month of September security services produced a gross margin of negative \$5,263.01 and an operating margin of negative \$9,678.01 for a year-to-date total of negative \$95,354.48 (-287.22%).
- Outside Plant Services – Outside plant services is another new cost center for FY17. It is comprised of new fiber installations, fiber repairs and fiber maintenance revenues and expenses. In the month of September outside plant services produced a gross margin of negative \$428,907.42 and an operating margin of negative \$456,540.78 for a year-to-date total of negative \$568,699.49 (-273.69%). In September we booked a large amount of expenses that we have not billed out as revenue or cost reimbursements.
- **NON-OPERATING REVENUE**
 - Non-operating Revenue – Non-operating revenue for the month of September is \$8,161.05 for a year-to-date total of \$23,767.28 consisting of interest calculated for monies on deposit through the Treasurer's office.
- **EQUIPMENT and EQUIPMENT APPROPRIATIONS**
 - The approved projects expense for equipment was \$1,901,523.68 in the month of September for a year-to-date total of \$2,051,266.27. Included in this amount are approved projects that are not funded from appropriations, equipment for service requests and inventory replenishment.
 - There has been \$127,162.18 in equipment expenditures through September from state appropriations for a total from the entire multiyear appropriation of \$584,397.15.

- **Managed Voice Services (MVS) History/Forecast – Ric Lombard**

We are approaching the end of the first year of the MVS implementation. We have used the LEAN roadmap in the initial implementation and are fine tuning the partnership between the ICN and CenturyLink.

- **YEAR 1 - PORTS INSTALLED**
 - On Complex = 406
 - Off Complex / out state = 236

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- **Sites Complete:**
 - IPI, OCA, IUB, ICN, IEDA, COMMERCE, LOTTERY and POST 1
- **In-Progress:**
 - IPERS, INSURANCE, DAS MAIL, EDUCATION, CIVIL RIGHTS, REVENUE
- **In QUE:**
 - DAS, DHS, OCIO, AG, FMC, CENTRAL ENERGY, ANKENY LAB, JUDICIAL
- **SAVINGS to Capitol Complex Telecommunications**
 - \$1.1m in FY16 (Plan Yr. 1) – Reduction in Infrastructure Fund Appropriation request.
 - \$1.1m in FY17 (Plan Yr. 2) – Reduction in Infrastructure Fund Appropriation request.
 - \$1.1m in FY18 (Plan Yr. 3) – Reduction in Infrastructure Fund Appropriation request.
 - Annual Savings by YR 3 to complex agencies voice & telecom services
 - **\$1,390,095.77 (phone sets, feature and LD)**
- **ICN Investment to Capitol Complex Telecommunications**
 - \$1.34m to upgrade Fiber/Copper cabling infrastructure
 - **Hoover Building:**
 - **1,176** total copper cable drops
 - **Grimes Building:**
 - **375** total copper cable drops
 - **Lucas Building:**
 - **1,532** total copper cable drops
 - **Jessie Parker Building:**
 - **371** total cable drops
 - **Iowa State Patrol / Post 1, 260 N.W. 48th Place:**
 - **126** total cable drops,
 - **1000 East Grand:**
 - **371** total cable drops,
 - **DAS Facilities and Management Center**
 - **45** total cable drops,
 - **DAS Fleet Care**
 - **14** total cable drops,
 - 47 MILES OF CABLE INSTALLED TO DATE
 - 4,944 ETHERNET PORTS INSTALLED TO DATE

The MVS product has a per port price with no contract and no long distance. It has restored margin ability for voice and customers are requesting the product. There is still an 18-24 month ROI (Return on investment) and that is when the ICN will begin to see the revenue.

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- **Legislative Update - Mark Johnson**

We are approximately twenty days away from the upcoming election. We are also completing our review of ICN Administrative Rules. The due date for completion of this review is July 1, 2017. There will be some clean up that will be presented to the Commission for review during the first quarter of 2017. The biggest changes will be to the agency description as well as some technical aspects.

Legislative session will begin in January 2017. Once the election is over we will begin meeting with the leadership during December and the first part of January.

TJ Boulet is the new legislative liaison to the ICN. He has some issue advocacy background at a federal level as well as federal legislation and technological experience.

Comments:

Bruner: Welcome.

- **ICN Outage – Ric Lumbard**

The ICN experienced a significant outage on September 26, 2016. With a broadband network it is not uncommon to be hit with gopher chews and fiber cuts. It is very rare that we experience an outage that bypasses the network redundancy. The last similar outage like this was in 2013.

An outage that impacts the core is detrimental. In a nutshell, there was a software tech that worked on equipment to change a code and the steps associated with that task were completed in an incorrect order, resulting in a data storm that shut down a portion of our network for a couple hours for a few locations at the core level.

We have changed some processes so that this type of incident will not happen again.

VI. Other Business

Lumbard: Jessica Jensen will be out for four to six weeks due to medical leave.

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VII. Adjournment

Commissioner Kohorst moved that the meeting be adjourned and Commissioner Lapointe seconded. The ITTC meeting adjourned at 11:38 a.m.

ATTESTED TO:

Richard Bruner, Chair, Iowa Telecommunications and Technology Commission

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