



# Iowa Department of Administrative Services

## Customer Council Archives

**Council:** I/3 (State Accounting)

**For Calendar Year:** 2004

**Meeting Dates:** October 28  
December 9  
December 16

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## State Accounting I/3 Interim Customer Council Meeting Agenda

October 28, 2004

9:00 – 11:00

Hoover B level, conference room 3

Hoover Building

1. Call to Order – Cal McKelvogue
2. Introductory Remarks – Mollie Anderson
3. Elect Chair and Vice Chair – Cal McKelvogue
4. Review Goals of Interim Council – Chair
5. Review and Approve Bylaws – Chair
6. Determine Timeline and Methodology for Permanent Council Selection – Chair
7. Review FY06 I/3 Costs – Denise Sturm, Sharon Sperry
8. Status and Role of I/3 User Groups – Lori McClannahan, Sharon Sperry
9. Open Discussion
10. Determine Dates of Future Meetings – Chair
11. Close and Adjourn - Chair

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## State Accounting I/3 Interim Customer Council Meeting Minutes

October 28, 2004  
Hoover Building, B level

### Present

John Baldwin, Department of Corrections; Rich Jacobs, Department of Revenue; Carl Martin, AFSCME; Steve Mosen, Department of Human Services; Charlie Smithson, Ethics Campaign Disclosure Board; Roger Stirl, Department of Education; Peggy Sullivan, Judicial; Cal McKelvogue, DAS-SAE; Lori McClannahan, DAS-I/3; Sharon Sperry, DAS-I/3; Linda Plazak, DAS – Marketing; Denise Sturm, DAS – Finance; Nancy Berggren, DAS/HRE; Carol Stratemeyer, DAS; Mollie Anderson, Director of DAS; John Gillespie, ITE; Nancy Williams, DAS/GSE; Tera Harrington, DAS/GSE.

### Call to Order

Meeting called to order by Cal McKelvogue at 9:00a.m.

### Introductory Remarks

Cal thanked committee members for being on this committee noting this is going to be a very challenging issue as we move forward through the next year.

Mollie Anderson spoke to the group with the following comments:

- I/3 is a very important issue. The job you have on this I/3 committee is to represent your peers, not just the department you are from.
- There has been much conversation and interest about I/3 from customers and users about the need to have more users drive the project direction. There is also an I/3 Steering Committee which is made up of a number of directors who have guided this project since it was originally sponsored by the Department of Management two years ago. They have guided the work with the Legislative body to seek funding, they have given updates on I/3 and they are the body that has approved the direction.
- The Interim Council is made up of two members of each of the existing councils. We did that with the purpose of trying to ensure that we didn't start scratch, a lot of learning is done on each of your Customer Councils. We thought by selecting "seasoned council members" from other councils that we might avoid having to go through the basics.
- This Committee is "housed" in terms of staff support, in State Accounting Enterprise led by Calvin McKelvogue. Eventually, that is where we expect the "home" to be for I/3 in terms of its overall management and customer input.
- The term that you have for this responsibility is expected to be until the system is fully operational. We will be engaged in setting rates for FY07, this is what we communicated in the Customer Focus newsletter. Until it is fully operational, I/3 is

guided by a variety of people: the steering committee, staff at ITE, operational guidance in the State Accounting Enterprise. Since the guidance is currently shared, we felt it would be best to have an interim council until its completely done.

- The role of the Interim Customer Council is to 1) establish by-laws, 2) to determine what the permanent Customer Council make-up will be, 3) set the length of service, 4) evaluate FY06 costs, 5) share policy responsibility, 6) represent your customers. Your primary focus has to be listening to the people who use this system and representing their interests.
- This Interim Council needs to decide the best method for gathering and utilizing customer input.
- I/3 is a system that is far-reaching, many people are affected by the decisions and it is imperative, even though you do represent a particular agency, that you take an “enterprise” view toward this and that you also remember the history of how we have reached this point.
- A path has been laid, the Legislative body has agreed and it has been funded a certain way – decisions were made about the technology that was purchased. We really have to focus on the future and not on the past. We have to focus on an enterprise view and an individual customer view.

### **Elect Chair and Vice Chair**

#### **Chairperson:**

Rich Jacobs nominated Roger Stirler to be Chairman of this I/3 Committee. Steve Mosena seconded the motion. Motion carried. Roger Stirler accepted the position of Chairman.

Vice-Chairperson: Charlie Smithson nominated John Baldwin. Rich Jacobs seconded the motion. Motion carried. John Baldwin accepted the position.

### **Review Goals of Interim Council**

Main goals: Determining the by-laws, setting the rate structure, beginning the rate structure discussion for FY07 and beginning the determination of a permanent customer council.

### **Review and Approve Bylaws**

The members reviewed the handout titled “Comparison of Bylaws among DAS Customer Councils”. They identified items to be included in the I/3 Bylaws. Some items require more discussion. Chairman Stirler noted he would like to see a draft put together including what our discussion was today. Linda Plazak will draft a version of proposed bylaws with discussion items and send them to Calvin McKelvogue and Roger Stirler for review by Nov 19th. A draft will be presented to the members to review before the next meeting.

### **Determine Timeline and Methodology for Permanent Council Selection**

Opened for discussion. It was noted that information gained in the next couple of months on the status of I/3 implementation will have to be revised and changed as issues move forward and develop.

Charlie Smithson asked for a “ballpark time as to how long this Interim Committee will be in existence”? Noted that the next I/3 Steering Committee will be asked to adjust the HR payroll implementation date from a 6/30/05 date to a 9/30/05 date. The HR payroll part is basically the final major part of the system to be implemented. Mollie Anderson indicated this Council will continue at least through 9/30/05 time period. This Interim Council will be involved in the '07 rates.

### **Review FY06 I/3 User Groups**

Denise Sturm, Finance Director for DAS discussed the FY06 operating budget for I/3.

- Presented financial information
  - Summary of the current costs I/3 – projected costs of I/3 and the resources available to fund those costs. Some lease-back revenue will help cover some of the lease costs

on servers that purchased for the I/3 application. It is expected to collect \$1.3 million in I/3 utility revenue from customers.

- Prior to the September 1 date, the ITE Customer Council was designed as the mechanism by which the I/3 rate would be set for FY06. It was set at a status quo rate by merging the current HRIS and IFAS rates into one rate called I/3. That is \$5.02 per month per permanent and part-time employee. That is the intent of FY06 for billing customers for the I/3 project.
- Two options exist to fund a portion of the remainder. A pool technology grant request for \$2.7 million dollars has been entered as an appropriation request for FY06. Should DAS receive that, that will help fund most of the shortfall between what we will collect from customers and what we are projecting as expenses. Should DAS not get that grant, the next course of action would be to ask for a loan from the Innovation Fund. It would have to be an Innovation Fund loan that would affect expenses for FY07 and beyond but will not affect projected expenses for FY06.
- Summary of the expenses have been broken out into the ITE I/3 on-going support costs, the SME on-going support costs and the indirect costs recovery related to this utility.
- Summary of the expense budget. The biggest portion of this can be found in Personal Services, Data Processing, Non-Inventory charges.
- List of who is supporting the I/3 project. It is allocated to two sections, the ITE and the SME section. This page summarizes the list of personnel who are budgeted to help support the product.
- Entire operating budget for ITE to show what the indirect expenses are for ITE.
- Mollie Anderson noted at the next meeting of the I/3 Steering Committee there is going to be significant discussion about the deficit.
- Sharon Sperry noted this is an estimate right now since we a technical infrastructure is not finalized for the HR portion. The IT side for the hardware and the maintenance on some of the things that have to be entered on the hardware, storage, etc., is an estimate based on the original. Denise Sturm noted this also does not account for the cost of the three month delay.
- Summary of annual charges. This summarizes the costs by the major components and modules within I/3.

### **Status and Role of I/3 User Groups**

Lori McClannahan stated her role is advocate between the users and the technical people. She is in the process of developing User Groups and distributed a summary hand out.

The role of the user groups is to assist in prioritizing the problems, the enhancements, what needs to be done next, etc. They also help with ideas for effective training, to comment on correspondence sent to customers, assist in testing system modifications and potential upgrades, etc.

The current plan is that Lori McClannahan, in the Program Manager position, will be the one to funnel this information together, working with the IT staff, I/3 Administrator, etc. They will be working together to move forward and make the changes to get to final implementation.

Mollie Anderson noted there has been some discussion with the Judicial Branch and a meeting will be held with them on the subject of I/3. They are concerned about the cost of I/3, how they will fund it going forward, etc. We will spend some time with them to have a discussion of what the costs of I/3 will be. If this group wants to send someone to the meeting, that would be helpful, please contact my office for the date and time. (November 23, 2004).

### **Open Discussion**

None

### **Determine Dates of Future Meetings**

Discussed trying to set up a meeting toward the first of December. Members indicated they

would like to have a “set schedule”, it is much easier to schedule on their calendars.

**Next Meeting:**

Thursday, December 9, 2004  
1:00pm – 3:00pm  
Grimes ICN room, 2nd floor

**Suggested Agenda Items for Next Meeting**

Bylaw approval  
Meeting dates for 2005  
I/3 Financial distribution to agencies  
I/3 Project update  
Status of User Groups  
Complaint Processes – utility and DAS service

**Close and Adjourn**

Meeting adjourned.

Respectfully submitted,  
Nancy Williams, GSE – Recorder  
281-7259

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## State Accounting I/3 Interim Customer Council Meeting Agenda

December 09, 2004

1:00 - 3:00

Hoover B level, conference room 3

Hoover Building

1. Call to Order – Roger Stirler
2. Approval of Bylaws for I/3 Customer Council - Roger Stirler
3. Approval of Meeting Calendar for 2005 – Roger Stirler
4. Director’s Opening Remarks – Mollie Anderson
5. I/3 Financials:
  - Additional Distribution of General Fund Money to Agencies – Denise Sturm
  - Possible Waivers – Pat Lantz
6. I/3 Update – Sharon Sperry
7. I/3 User Group Update – Lori McClannahan
8. Open Discussion
9. Agenda Items for Next Meeting – Roger Stirler
10. Close and Adjourn - Roger Stirler

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## State Accounting I/3 Interim Customer Council Meeting Minutes

December 9, 2004 REVISED December 12, 2004  
Hoover Building, B level

### Present

Chairperson Roger Stirler, Department of Education; Vice-Chairperson John Baldwin, Department of Corrections; Rich Jacobs, Department of Revenue; Carl Martin, AFSCME; Steve Mosena, Department of Human Services; Charlie Smithson, Ethics Campaign Disclosure Board; Peggy Sullivan, Judicial; Cal McKelvogue, DAS-SAE; Penny Westfall, ILEA; Mollie Anderson, Director, DAS; Patricia Lantz, DAS; Lori McClannahan, DAS-I/3; Sharon Sperry, DAS-I/3; Linda Plazak, DAS – Marketing; Denise Sturm, DAS – Finance; Nancy Berggren, DAS/HRE; Denise Sturm, DAS/Finance; Nancy Williams, DAS/GSE; Paula Hutten.

### Call to Order

Meeting called to order at 1:00pm.

### Approval of Minutes of October 28, 2004 Meeting

Steve Mosena moved to approve the minutes as written. Rich Jacobs seconded the motion. Minutes approved.

### Opening Remarks by DAS Director, Mollie Anderson

The primary purpose for the additional distribution of money to each agency is to ensure you get as much as you can in your base budget.

DAS understands the agencies concerns regarding money and the cost of I/3. Both DOM and DAS are committed to trying to find some solution to the funding issue. The I/3 Customer Council has an opportunity to provide input to finding a solution. When I/3 is fully mature, DAS believes there will be savings and efficiencies and the old systems will be able to go away. Part of the problem with insuring our customers have enough money is making certain that money they had in their budgets, which was previously devoted to old systems, will be re-devoted to the new system. This will take effort on the part of each user to identify how they paid for things in the past.

As we look down the road, it will be a combination of asking DOM, the Governor's office and the Legislative body to fund our full request. Our effort for 2006 is dependent upon that; otherwise we would have a need for an additional increase from all of you.

The Judicial Branch is having some discussion about whether they want to use this system and about whether they might go out and get their own system. That is a discussion they will have to have with the Legislative body, they don't have the authority, on their own, to do it without Legislative approval.



Agencies may ask for some customization and argue for a set of products that only fit their particular needs. For example, your agency might have an asset system and does not want to participate or pay for an enterprise system. That will erode the Legislative intent that there be a standard system throughout state government they could rely upon, which will produce and track the various different expenditures, purchases, assets, payroll issues, and etc. all in the same way.

It is extremely important; that agencies remember the enterprise goals originally discussed in the development of the I/3 system.

This Council has an advocacy role, that advocacy role means when it comes time to have this discussion with the Legislative body, you have an interest in the FY06 rate, insuring the request is supported. The DAS Legislative Liaison will try to work with your Liaison to get that done.

There is going to be healthy discussion in the Legislature about the costs of I/3 and its performance.

I believe we are going to discover Iowa has paid less for this product than most people have around the country. A system as complex as I/3 will take some time to work through the implementation issues.

We have already spent a fair amount of money, our citizens will be expecting us to complete this project and they will be expecting us to be good stewards of the dollars, which have already been invested.

We have to remember what the old system did and did not do; it may be harder to go back than go forward. I hope that we can count on this Council to provide some strength to the I/3 governance role. Otherwise, this may disintegrate into individual agency requests and needs and will go back to an individual system of the "haves" and "have-nots" and we will have some agencies who have good accounting systems and others that do not. The citizens will not be served well.

DAS and DOM are aware of the performance problems and we are aware that our customers have identified issues for correction. We are keeping the pressure on AMS to resolve these issues.

In the end, you really must have an "enterprise view" of trying to keep this thing together. Charlie Smithson stated as DAS gets ready for the legislative session the Customer Council members need to remind the Legislative body they have supported this with appropriations, they made some decisions with some specific goals and DAS is trying to be good stewards to accomplish that.

### **Approval of Bylaws for I/3 Customer Council**

Charlie Smithson asked to discuss the use of alternates, stating he did not believe that was the way to go. Reasons: 1) if you send an alternate to vote, it means that you told them how to vote, which means when you get to the meeting anything you hear that day is irrelevant and 2) they are going to have the freedom to vote how they see fit.

The I/3 interim Customer Council is scheduled to go through October 2005. The idea of writing the bylaws was to create a framework for the I/3 permanent Customer Council.

Steve Mosena made the motion to remove all the "designated alternates" language, change to

2/3rds to be our quorum and remove Article 8, section 5, and the word "present".

Penny Westfall seconded the motion. Motion passed.

Rich Stirler moved to approve the bylaws as amended and Carl Martin seconded the motion. Motion passed.

### **Approval of Meeting Calendar for 2005**

Main goals: Determining the by-laws, setting the rate structure, beginning the rate structure discussion for FY07 and beginning the determination of a permanent customer council.

### **I/3 Financials**

Denise Sturm distributed the "DAS Distribution Account – General Fund Appropriation FY2006" information as well as the Utility Distribution Calculation FY2005. Denise went through this information thoroughly and answered questions.

Denise Sturm distributed the "DAS Utility Rate for I/3 Summary for FY2005" discussed at length and answered questions.

Denise Sturm distributed the "DAS I/3 Budget – Ongoing Development FY2005" information, discussed at length and answered questions.

Denise Sturm distributed the "DAS I/3 Budget – FY2006 – Resources vs. Projected Expenses" information, discussed at length and answered questions.

Denise stated an action she would bring to the Council in January, asking for a re-consideration of the FY06 rate for I/3 to merge in the \$3.66 bringing it up to, \$8.67 per Full-time, Part-time, Permanent employee per month.

Denise advised by the January meeting she should be able to give the I/3 Council a revised fiscal year '06 budget with "trued-up" resources and a recommendation for a consolidated FY'06 rate.

John Baldwin asked about 'double counting people". Denise Sturm advised she will develop a matrix (from FY05 to FY06) of staff showing that we are not double counting staff.

Patricia Lantz stated since there was no FY05 rate set, under the rules there is a September 1 rate-setting deadline. I would just ask the Council to consider submitting a waiver to the Director of DAS to waive the September 1 deadline for rate setting so that you can then go ahead and set the rate for FY05. For FY06, a rate has been set by the ITE Customer Council, she believes the ITE Customer Council needs to rescind that rate and then this Council will have to pick up that duty - would have to get a waiver because that deadline has gone past as well.

The IT Customer Council will need to vote to rescind the I/3 FY06 rate.

Pat Lantz stated the Council could do a provisional vote today if you wanted to approve the rate contingent upon the two waivers from the DAS Director.

Roger Stirler stated that two waivers need to be drafted; one for FY05 rates and one for FY06 rates. A formal request will be made to the ITE council requesting them to rescind the rate.

Rich Jacobs made the motion to ask the ITE Council to rescind the FY06 rate based upon the actions of this Council to set an FY06 rate. Steve Mosenia seconded the motion. Motion passed.

Peggy Sullivan stated philosophically, Judicial has a problem with agencies paying for things that they do not need or do not use. If we are rolling I/3 costs up into a ball and splitting it out by FTE, Judicial has a problem with that. Peggy stated she is certainly concerned about FY06 but thinks FY05 sets a precedent.

Roger Stirler stated that sometime next week we will set a conference call to have a phone meeting to approve an FY05 rate. There will be two items on the agenda, one is the approval of the waiver request and the other is the approval of the rate.

Patrica Lantz noted the Director of the Department has the authority to waive a rule – the Director can waive the rule on her own for the rate setting deadline. Roger Stirler stated he would e-mail DAS Director Mollie Anderson asking her to waive it, noting this would streamline the system and save everybody time.

### **1/3 Update (Sharon Sperry)**

We have a problem review process. On a daily basis, whenever a problem occurs, we go through and review that problem and come up with both long term and short-term solutions.

We have a formal process that we are following.

We have some different processes we have put into effect as far as prioritizing problems from hour Help Desk.

We started doing availability statistics. It is important for us, from a technical standpoint, at least we can see if we are improving, by having it available. We want to continue to improve and show the improvement.

When we get a performance question, it goes straight to our application support people's cell phone for rapid follow-up.

If you have a problem, call the Help Desk immediately.

We are still working with AMS, we are not happy with the performance, they are not meeting the performance contract levels and we will not pay that portion until we get there. We are working with them to try to get that resolved.

We are tracking and trying to keep things that are happening once from happening again and really working through the performance and the cycle.

We do have an upgrade we are trying to work toward getting implemented which is a performance difference as far as AMS is concerned.

We are proceeding with the HR project. We decided on an October implementation date. We are going back through that and revising our detail plans. We are really getting into what is the staffing and budget ramification, finalizing our hardware requirements for that, starting an interface, conversions, procedures and that sort of thing that we are going to need to really hit hard for the next few months.

Charlie Smithson asked about the contractual issues with the vendor. Pat Lantz advised there is a group that meets every month to review the invoices. There are provisions in the contract for liquidated damages and acceptance and payment upon acceptance and things like that.

### **1/3 User Group Update (Lori McClannahan)**

The system is supposed to be up from 6am to 6pm. People come to work at 6am and they want to know if the system is up. We started a process where they call me and I send a note by 6am. Sometimes it is difficult to know exactly when the system will come up, which means repeated notes. As a user, this is important for people – they want to know.

Have the user groups almost done.

We are down to 35,000 accounting lines that need to be entered to fix the problem.

Any problem we are finding, because this is such an integrated system, is much more time consuming than one would think.

We have looked at some Vendor Self Service demos, which allows vendors to enter themselves and bid online, etc. That will take away from some of the work the users have, because a vendor can enter their own vendor code.

One of the biggest problems with I/3 has been the vendors. We do have several meetings set up next week to try to resolve that and how it is all going to work. Then the payment information will be out there so the vendors can look that up via the Internet.

We have also, as part of HR payroll, looked at employee self-service and one of the things we are trying is to put the travel claim out there so employees can complete a travel claim on line, and submit. These are the kinds of things that will be out there once we move into these other areas and get the system actually stable and functioning.

### **Open Discussion**

Dennis Prouty at the Legislative Services Agency is considering our request to participate on the I/3 Interim Council. They have expressed concerns about being a voting member of the Council – the law allows them to be a voting member of the Council. We don't know what role they will take, but imagine possibly by the January meeting we may have some insight from them on how they want to participate.

Peggy Sullivan stated she wanted to mention again, that Judicial feels strongly that the cost of I/3 should be a Leadership function and is opposed to a Utility designation. Roger stated he felt this would probably be part of the discussion in the Legislature.

DAS distributes a "Customer Focus" newsletter bi-monthly. This is an opportunity to keep our customers and stakeholders informed regarding Council activities. Send Linda Plazak articles or issues that you want included. Also forward Linda distribution lists of your customers and stakeholders for this publication.

Linda Plazak will distribute the Council Schedule of Events for 2005 to all members.

### **Agenda Items for Next Meeting**

Rate issues – do some educational effort to understand better the timelines and the functionality. (Sharon Sperry to make a 30 minute presentation on the background of I/3)

How to keep the rest of government informed about what we are doing on this council.

FY06 rates

Customer focus/customer information things

### **Next Meeting:**

Telephone conference meeting – December 16, 2004

January 13, 2005 (Thursday) 1:30 – 4:00 Hoover Level B – Conf. Rooms 2 – 3

### **Close and Adjourn**

Meeting adjourned at 3:10 pm.

Respectfully submitted,  
Nancy Williams, GSE  
281-7259

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## State Accounting I/3 Interim Customer Council Meeting Minutes

December 16, 2004 Special Conference Call Meeting

### Present

Chairperson Roger Stirler, Department of Education; Vice-Chairperson John Baldwin, Department of Corrections; Rich Jacobs, Department of Revenue; Carl Martin, AFSCME; Charlie Smithson, Ethics Campaign Disclosure Board; Peggy Sullivan, Judicial; Cal McKelvogue, DAS-SAE; DAS; Patricia Lantz, DAS; Linda Plazak, DAS – Marketing; Denise Sturm, DAS/Finance; Nancy Williams, DAS/GSE.

### Absent

Steve Mosen & Penny Westfall

### Call to Order

Meeting called to order at 3:00pm.

### I/3 Rate

Roger Stirler reported he requested a waiver of the rule on the rate setting that allows this Council to set the '05 rate even though we are past the deadline – DAS Director Mollie Anderson approved that this week.

Need to set the '05 rate at \$3.66 per month per full-time/part-time/permanent FTE.

Rich Jacobs made the motion to adopt the rate of \$3.66 per month based on the number of full-time/part-time permanent employees on the payroll in the first quarter of fiscal year '04.

Carl Martin seconded the motion. Verbal roll-call vote called for – All yes votes except Peggy Sullivan with Judicial. Motion carried.

Comment period – after discussion, the I/3 members decided on a 10 day comment period, with any comments made to Patti Allen with DAS and Patti to copy members of the I/3 Council.

### Agenda Items for Next Meeting

Agenda item will be the FY'06 rate.

### Next Meeting:

January 13, 2005 (Thursday) 1:30 – 4:00 Hoover Level B – Conf. Rooms 2 – 3

### Close and Adjourn

Meeting adjourned at 3:15 pm.

Respectfully submitted,  
Nancy Williams, GSE  
281-7259

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