

INK Board Minutes

Meeting Minutes
September 13, 2016

Opening

A meeting of the INK Board was called to order at 10:01 a.m. Tuesday, September 13, 2016 in the KDOT Executive Conference Room, 700 SW Harrison, 2nd Floor, Topeka, KS 66603 by Chairman Rucker, representing the Secretary of State, with the following members present:

Matt Billingsley, representing the Secretary of Department of Revenue
Scott Hill, representing the Kansas Bar Association
Chuck Knapp, representing Jobs for America's Graduates – Kansas
Tim Metz, representing the Kansas Banker's Association
Eric Rucker, representing the Secretary of State
Gregg Wamsley, representing the Kansas Library Association
Phil Wittmer, Executive Branch Chief Technology Officer

Others Present

Duncan Friend of INK, Shane Myers, James Adams, and Ashley Gordon of Kansas Information Consortium, LLC. Guests: John Herrman, National Information Consortium; John Thomson and Mike Plunkett, PayIt, LLC.

Consent Agenda

The consent agenda for the meeting included the August 2016 INK Board minutes, the August 2016 Network Manager report, contracts for approval, and a listing of Board expenses for approval.

Action Taken: Knapp moved to accept the consent agenda, seconded by Billingsley. Motion passed unanimously.

Regular Agenda

- 1. Draft Financial Statement/Procedures Audits for approval.** Duncan Friend presented this part of the agenda. Friend began by saying he had received no questions since last month's audit presentation. Included in the packet were final drafts of the financial statement audit for 2015 and the Agreed Upon Procedures audit. There are also representation letters addressed to the auditors that confirm what INK represented in the audit. What had been inserted since last month is the final draft of the Management Discussion and Analysis section. Friend stated that this is mostly duped over from last year, except for the part that addresses how the finances changed for the current year. He received some information from Myers on this and their discussions were not yet complete as of the last Board meeting. Friend then highlighted the language in the Management Discussion and Analysis that stated the reasons for the changes in financial position. He also confirmed that the audit received the highest level – unmodified – of opinion by the auditors.

When asked by Rucker, Friend stated that the action required was for the Board to accept the results of the audits so that the representation letters could be sent and the audit finalized. Wittmer asked Friend how liquid the assets of INK were. Friend answered that they were pretty liquid – cash or near cash. Wittmer asked that information about INK balances be presented to the Board at the next meeting, or posted to the private portal site. Friend, confirmed that INK holds no long-term investments that he is

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aware of. Metz asked about the current bank balance – Friend estimated it as above \$2 million – and then Metz continued, asking if it was being held all in one bank, as that was unusual based on his experience with similarly sized organizations. Friend acknowledged the question and noted that it was for the most part being held in Kaw Valley, although the amounts above \$250,000 were required to be securitized. That is, the bank purchased and pledged securities to cover the balances. However, this process was manual and seemed to him to have some opportunities for shortage in coverage due to lag time.

Rucker stated that he was not wed to any particular financial institution. Billingsley noted that it was a board determination. Metz mentioned that it might be worthwhile to consider spreading out the balances somewhat, thinking of low potential, high-impact type of events. Rucker stated he would like to see this be a future agenda item.

Myers mentioned the need to change the references in the audit to Kansas Information Consortium to correct Inc. to LLC. Friend agreed, saying that he and Myers had talked about this prior to the meeting.

Action Taken. Hill moved to approve financial statement/procedures audits, incorporating the change to Kansas Information Consortium, LLC. Seconded by Wittmer. Motion passed unanimously.

- 2. Network Manager Report.** This item was presented by Shane Myers. Myers noted that his staff attended NIC marketing and technology conferences in support of this item in the strategic plan, both to collaborate with peers and learn about best practices – items that have been highlighted in previous presentations to the Board. Today, he introduced John Herrman of NIC who works in the corporate office on research and development related to new technologies. Myers noted that there had recently been a feature in the Kansas City Star about NIC’s “Blue Room” that focused on this technology and indicated he would send out a link to the article to the Board after the meeting.

Hermann conducted the rest of the discussion, passing around various equipment related to both virtual and augmented reality (Oculus Rift, Google Cardboard, others) and conjectured about potential public sector applications and, generally, on the potential and emerging impact of these technologies on society and users of government services. Examples given involved using Amazon’s Echo for questions on driver’s license renewal and practice driving exams in Mississippi and law enforcement applications.

Action Taken. No action taken.

- 3. New Board Counsel Contract for Review/Approval.** This item was introduced by Duncan Friend who provided some brief context.

Friend stated at the last meeting there had been a motion to explore engaging the Department of Administration (DofA) Legal Office as the new Board counsel. Rucker and Friend then talked with John Yeary, the Chief Counsel for DofA about this and DofA had developed a draft of an agreement, as well as assigned Dan Dunbar as a representative. Friend has had to chance to catch him up on some of the open issues related to the Board. The contract in the packet today was what had been offered by DofA. There is a question on the codes attached – he thinks they may have been attached by accident. The salient piece is that it is \$100/hr and that they agreed to perform the services.

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Rucker then stated that the contract allowed the Board to go in another direction if they wished to do so in the future and the contract expresses confidence that they can provide these services. He said the price was attractive, but he wanted to make sure that a professional service was provided to the Board – they were confident that they can do that and he had no reason to believe that they could not.

Action taken: Knapp moved to accept the Memorandum of Agreement as proposed by the Department of Administration to provide legal services to the Board. Billingsley seconded.

Discussion: Knapp asked whether the Board would determine when counsel would be engaged, so, for example, they wouldn't be at regular Board meetings. Rucker confirmed that was correct. He believes the Board has the ability to structure which services they wish to draw upon. Knapp asked Friend about the attachment with codes that was included. Friend said it seemed likely to him it was boilerplate related to construction contracts – he apologized as he'd not had a chance to follow up with DofA Legal on that, but assumed it would just be omitted from the what the Board approved. Rucker agreed, as he wasn't sure why they would be pertinent.

Hill then spoke, indicating he would vote no on the motion and wanted to provide an explanation. As he had stated at last month's meeting, he didn't think it was in the Board's best interest to terminate the relationship with Goodell Stratton and, if the Board did, then he didn't think it was in the Board's best interest to take this bid without consideration of other alternatives. If the Board wants to replace Goodell Stratton, he stated that he felt it should solicit other options.

In response, Rucker noted that the agreement was written in such a way as to be non-exclusive and that the Board would not be precluded if, at some time in the future, it saw the need to contract with a private firm or another entity offering services, it could do so – as long as the Board stays within the terms of the contract being executed here. Knapp asked for confirmation that they were not exclusive, and Rucker confirmed they were not.

Billingsley asked how long Goodell Stratton had been with the Board and whether or not the Board had sought bids when they were awarded the work previously. Rucker noted that it had been a long time. Billingsley deferred to the experience of other members of the Board who had been on it longer about the answer to whether that had been the normal practice. Hill stated that Goodell Stratton had been board counsel for decades, but that he didn't believe they'd sought other bids or options, at least during his tenure. Friend noted that from the files, it looked like they'd been in place for a long time. In other areas, such as the audit, there had been competitive bidding. He recalled that Ellwood had said they'd been counsel as far back as 1995 – he'd found documents in the file as far back as 1998-1999. Hill noted that he didn't think their contract had required exclusivity, but that they had been used that way and there was always the option to terminate.

Wittmer asked for examples of the kind of matters that counsel had been engaged about over the last three years, other than the termination of the Executive Director. Billingsley stated that they'd been engaged on outages and contract penalties. Knapp noted that, in his personal opinion, the Board had gotten better counsel from DofA on the recent contracts with technology companies.

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Rucker brought the matter back to the motion, indicating that it was clear the decision to terminate Goodell Stratton had already been made and, right now, the decision – others might rephrase it – was, even if a different approach were used in three months – on whether or not the Board should have counsel at all, because if this contract is not executed, that would be the case. So, that is how Rucker would frame the present decision. Knapp asked how Goodell Stratton had been terminated. Friend stated that he sent a letter signed by Rucker to Goodell Stratton referencing the motion not to approve their proposed contract, referring them to DofA Legal for the transition. and then one to DofA Legal to start the process to engage them. Rucker stated he'd hoped this wasn't considered premature – he had not signed anything – but this was also done with the understanding that there would need to be a transition and wanted it to occur in an orderly manner to maintain continuity.

Action taken: Hearing no further discussion, Rucker asked for a vote on the motion made previously by Knapp and seconded by Billingsley. The vote was: **For** - Billingsley, Knapp, Rucker, Metz, Wamsley, Wittmer; **Against** - Hill. Motion passed.

4. **Kansas Business Center Update** (*Executive Session*)

Action Taken: Hill moved that the meeting of the Information Network of Kansas be recessed for a closed executive meeting pursuant to K.S.A. 75 - 4319 to discuss contractual matters related to the Kansas Business Center project and that the Information Network of Kansas resume the open meeting in 15 minutes and that this motion, if adopted, be recorded in the minutes of the Information Network of Kansas and be maintained as part of the permanent records of the Board. All of the members of the Board and Friend were asked to be present. Billingsley seconded. Motion passed unanimously.

At 1:23 p.m. went into executive session and at 1:38 p.m. the board came out of executive session.

Rucker stated that the issue before the Board was contract negotiations as it related to the KBC update. They received an update from Friend about meetings that had taken place between Oracle, the State of Kansas as represented by the Kansas Department of Revenue, the Office of Information Technology Services, Secretary of State, and other entities that met with them in regards to the existing contact. He asked if there was any discussion from the Board.

Knapp indicated he wasn't sure whether or not it was appropriate to have the following discussion in an open meeting. However, he asked what would happen in a week or so if the next steps don't bear fruit. He expressed that, if so, he was interested to know what KIC can do with their development process or what other options the Board can pursue if this doesn't work out – as it needs to be done, and there needs to be a plan if they need to wait until the next Board meeting.

Rucker asked Friend for comments. He said that the team had been looking at contingencies with regard to next steps. There are a number of things that could be done. For example, while many people are considering replicating San Francisco, the code itself has been rewritten to be deployed open source in Los Angeles – and that would be Form Finder. So, yes, they had been looking at options and this was probably the best update on that he could give at the moment. Rucker asked Friend that, as Kansas Business Center project manager, what was the best representation of what he would anticipate proposing in the next Board meeting. Rephrased, what was it that the Board can expect between now and the next time they meet and is there possible action that could be as early as the next Board meeting?

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Friend started by saying he didn't know what was appropriate to say on the public record about negotiations with Oracle and Eventus. Essentially, there are two paths. They will come in and show what they have to show. That will play out how it does - he has opinions based on what he's seen. There's the scenario: Either it will be deemed sufficient in which case they will come into the next Board meeting and propose to restart, most likely working with the same partner. Or, it won't be deemed sufficient, in which case - the meeting is later next week - so there will be a short period before the next Board meeting and an aggressive effort to find something that will be a good option. Friend confirmed the next Board meeting was scheduled for October 4th.

Hill asked whether or not he would be looking to the Board to determine whether or not what was presented was sufficient. Friend stated that while he was providing his perspective, because there are representatives from Revenue and OITS, and Revenue is a major stakeholder in this in addition to the Secretary of State's office, he believed they would come forward with a joint recommendation for what they thought was the appropriate action there, as well as what was appropriate for next steps. Rucker asked Billingsley whether or not he felt comfortable with that and Billingsley confirmed that he did. Rucker asked Wittmer the same question. Wittmer indicated he had not yet been briefed on the matter by his staff who had attended. Billingsley noted that Wittmer's staff had been very engaged on the technical aide. Friend indicated he'd contacted them after to confirm their take on the outcome. Rucker then asked if Wittmer could expect to be briefed in time for the next meeting, or perhaps have a representative there that had been involved in the discussion to offer their opinion. Wittmer confirmed that he could. Billingsley commented that, if the latter, it should be a member that had attended.

Wittmer stated that he wasn't sure where the right place was for his comments, but he felt that there were "reasons why we are where we are." He continued that he did not think there was a clear vision for what this thing was supposed to be, and he doesn't think that there is agreement between the Governor and Secretary of State. Explaining further, he said that he is looking at this technology through the lens of how extensible it is to get to steps 2, 3, and 4, where they are going, whether it is the "TurboTax" interface or whatever. Wittmer stated that he knows there's a strategy that's documented and said that he confessed he had not read, but only thumbed through it. However, he thought that if they are going to be successful at this, there needs to be a shared vision - not for just step 1, but steps 2, 3, and 4. He said that he is "back at the starting gate" on that and noted that when he steps back from this, he has been here a year and there has been zero progress on it.

Rucker asked if it would be appropriate for Wittmer to be briefed by his people who did attend the meeting. Then, before the next meeting of the Board on October 4, perhaps he and a representative from the Governor's office, even separate from OITS, perhaps Mr. Billingsley or someone else, make a pledge to the Board to meet after he had been fully briefed.

Billingsley suggested that Friend write something for the Board that summarized the outcome of the meeting on the 22nd. He noted that Friend could probably also go back and put in writing what occurred with regard to the previous meeting for the Board. Rucker noted that in addition to what had been said previously, at the end of the meeting on the 22nd, there will literally be an up-or-down understanding about whether or not the Department of Revenue, OITS, and Secretary of State are satisfied so that then there will be a solid direction for the Board to consider.

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Billingsley stated that he thinks the whole Board needs to understand this process, so they can make a decision. Metz agrees with Billingsley, but also agrees with Wittmer. Metz said the vision needs to be clearly delineated because a decision can't be made about alternatives – the Board shouldn't even start talking about alternatives – until that is clearly delineated. Billingsley said that was the purpose of engaging legal to move forward or get rid of them. Wittmer stated that he wanted something that they were proud of, it's not a political statement, but he wants the Secretary of State and the Governor to be side by side high-fiving, saying "look at this." He continued that he didn't know what that looks like, but that they needed to figure out what that looks like.

In response, Knapp stated that he thought that what had been talked about was that it was going to ultimately be a non-government person that would go to the Kansas Business Center and there was going to be a "TurboTax"-type of wizard that they would be guided through. Then, if they want to open a restaurant it would ask them questions about how many people they have, etc. Knapp stated that he thought that's what the mission was that was shared by the Governor's office.

Billingsley asked if that was what was in the scope of work in the contract. Friend stated yes, in the sense that this is the first step in that. Again, modeled around San Francisco and in LA, they both have that. So, the Form Finder idea was to consolidate everything and map out what the State has where a user could get the groups of what the user needs to fill out. Then, he thought the idea was to eventually lay on top of that the wizard. There's some dispute about the wizard – he thought even Sachs had some questions about that.

Knapp's recollection was that there was a demonstration and that they thought that it was what was being offered, but then they said that this had to be done first – he asked if that rang a bell. Friend said that, yes, they did do that in a demonstration. But, Friend stated that he really wanted to be as clear as possible. Essentially, he was looking for what the Subject Matter Experts think is going to work best for the user community. Friend thinks that this is the beginning of building a larger thing that leads toward that – it wasn't designed to have that scope. Knapp agreed and said that where he was coming from was not that he felt that he'd wasted a year of his life without a vision. He thought they had agreed to that vision and that that was what they were looking for. Rucker stated that this was his understanding as well. Knapp asked if anyone else had a different vision. Knapp acknowledged that Metz may not have been here and asked if Hill remembered that vision.

Hill answered that he didn't disagree at all with that statement and understood this to be step 1, 2,3,4 in a 5-step process to get there. But, he continued, they weren't going to be nearly there with this step. Knapp agreed, emphasizing that the subject wasn't talking about the steps, but instead about the vision and that the Governor's office and Secretary of State's office were in agreement on that. It was going to be citizen-centric, rather than being geared to the accountants or bankers' associations. That was the vision. Friend noted that in the run up to the project, they have involved representatives from Network Kansas who handles referrals from those individuals and from the Small Business Development Center who acted as proxies for those citizens.

Knapp asked what more needed to be done to memorialize that as the vision. Rucker stated that he really and truly didn't want to go over ground that had been well-trodden. He wanted to make sure that an item was on the agenda that had existed since the last time they met. The upshot was that what transpired since the last time the Board met was a meeting with Oracle as to the potential success of the

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existing contractual relationship. A subsequent meeting was set up to flesh out whether or not the relationship will continue. That's really what the update was about.

Going forward, Rucker continued, what he anticipated would take place before the next Board meeting would be a resolution of the outstanding issues about the ability to perform. On track next to this, there is the question of the vision. It is his understand that the Secretary of State's office is in agreement with the Governor and that there is a certain order to what needs to be accomplished on the way to a fully-functioning business center. And, the first component of that is Form Finder – regardless of which vendor delivers it. That function would be part and adaptable to a larger process that would take in more than merely Form Finder. He believes they do have agreement with the Governor on that. It is also doable within the political reality of there being two years left of the administrations of the Secretary and the Governor.

Hill asked for clarification as to whether there was going to be a recommendation brought back to the Board with the idea that they will take action at their next meeting. Rucker confirmed that was correct. Rucker asked if there was any more discussion. Seeing none, he asked to move on to the next item as there was not an action item.

Action Taken: None.

- 5. Grant Committee Review.** Friend presented at the beginning of this agenda topic, summarizing the situation and the work of the committee. He noted that the members were the three CITO's, plus Sachs who had been named by the Board Chair as per the motion to convene them. He briefly discussed the weighted criteria used to evaluate the grants and noted a slight discrepancy in the weights that had been assigned in the procedures and what was shown on the web. The Board had apparently changed the weighting of criteria to put slightly less emphasis (5% less) on Revenue Generation and, in turn, added that percent to Access. He had discussed this with the committee and agreed to calculate scores both ways to see if there was a material difference. He'd also sent out edited grant procedures to the committee with the hope of getting recommendations on standardization here. He also noted that he'd calculated the scores on the Legislative grant request both including and excluding the grading by the Legislative CITO in case there were questions about a conflict of interest on the Legislative request.

He then summarized the two grant requests before the Board – the first for live audio streaming of committee meetings that was submitted by the Legislature, the second for a content management system *KanSite* that KIC provides, and for some marketing, submitted by the Kansas Board of Barbering. He noted that normally the board member presented on the work of the grant committee, but Sachs was absent and had asked him to. He would also defer to Wittmer for his comments as he was also on the committee. Finally, Friend noted that there was a letter from the Director of Legislative Administrative Services in the board packet with regard to some questions about the grant, and he would defer to Rucker to discuss.

Legislative Audio Streaming Grant Request. The Board indicated they would like to begin discussion with the Legislative request. In turn, Friend summarized the meaning of the available rankings, with 1 – below expectations, 2 = meets expectations, and 3 = exceeds expectations:

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- 1) Access at 20% and Revenue at 15%
Avg. with all members: 2.10
Avg. - Remove LCITO: 2.05

- 2) Access at 25% and Revenue at 10%
Avg. with all members: 2.20
Avg. - Remove LCITO: 2.15

Grant Committee Recommendations: Three “Fund Application” (one of which said further consideration also), one “Further Consideration, Pending Questions” only.

The Board then took up discussion of the Legislative request. Rucker began by noting that there had been a presentation made at one time that anticipated that the Legislature would want to do three committee rooms – that had been the recommendation before the grant application (which requested 13). While the Board has a statutory obligation to assist them, the issue was how quickly that is done. Rucker continued that it seemed most prudent given the pending changes in legislative leadership to do a pilot of three rooms and then solicit their opinion on next steps. He noted that the letter included in the packet confirms the Director’s understanding that the Board would provide funding only for three years and that the Legislature would absorb costs beyond that time period. By taking this approach, the three rooms can be deployed, and then if they come back and express their desire for 10 more rooms, then the Board can provide them funding for the balance of the rooms. Rucker stated that he’d suggest this further expansion not be attempted during the session itself as any dysfunction won’t be perceived well by the public.

Knapp stated that he was surprised that they wanted this to roll out during the legislative session. He had reached out to the Senate President’s Chief of Staff, but has not heard back. He knew that the House had been somewhat resistant in the past. Obviously, the Board wants to be good financial steward, but also good partners with the Legislature. However, he thinks it is imperative that the Board is on the same page with legislative leadership and the Board will not know that until December.

Hill posed the question that if future leadership decided that they were not interested in pursuing the effort – wouldn’t it be the Board’s responsibility to do it anyway? Given that the Board had already decided it was in the best interests of the citizens. He was posing that only for discussion’s sake - he himself wasn’t sure he agreed with it. Knapp stated that he believed the Board should support the three rooms. In essence, the Speaker of the House has a “very big gavel” and it is important to see where they are on this. Rucker stated that Hill made a good point. The Board could indicate to them that in making the three rooms available, it is the Board’s desire and intention to provide them with thirteen, but that it understands there is a statutory partner in this.

Wittmer addressed some of the questions he had that also supported a limited pilot. These relate to good technology practices: What is the true cost? Does it work? What are the support requirements? Does it impact our existing networks? Can the legislators use it effectively? It may not be a question of whether, but how. Then, consider how best to go forward.

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Friend expressed that he wanted to clarify what's in the proposal as not everyone had seen it. While the Legislature asked for 13, they did talk about a phased implementation that's consistent with this approach. He also noted that he thought Jim Miller would agree with the concerns in terms of needing a pilot to address these things. From that perspective, Friend thought that he would certainly agree with the first step about shaking it out and that it would take a little while on the human side.

Action Taken/ Discussion re: Legislative Grant: Wittmer moved that the Board approve the amount necessary to implement audio streaming in the three committee rooms before the session. Knapp seconded. There was a discussion of how to decide what that amount would be. In addition, Hill stated that he would like to see the remaining requested funds be earmarked for later use on this, subject to a later vote, just to make clear to the Legislature that the Board is supportive of going forward with this. Wittmer clarified that his expectation for the first 3 rooms would be not to exceed \$50,000. Wittmer agreed to amend his own motion. To summarize, there would be a cap of \$50,000 for the first three, with the rest set aside for the future.

Action / Restatement of the motion: Wittmer moved to approve designating \$199,000 in total for the project, while today granting the funding to equip three committee rooms in advance of the 2017 Legislative session at a price not to exceed \$50,000. Seconded by Knapp. Motion passed unanimously.

Kansas Board of Barbering Content Management System Request: The Board then took up the Board of Barbering grant. Friend summarized the grant proposal. The agency wanted to use *KanSite* content management system to build a new website, so that was \$5,000, with \$2,500/yr maintenance for three years, and the remaining balance was to be used for marketing for mailings to help drive more people to the website. Friend reminded the Board of the grading scale and presented the scores:

- 1) Access at 20% and Revenue at 15%
Avg. all members: 1.78
- 2) Access at 25% and Revenue at 10%
Avg. all members: 1.80

Recommendations: Three members voted to fund, one not to fund.

Friend noted that there were a variety of different comments by the members of the committee about the application, including the website already having been built by KIC, and whether or not that grant money that was being brought before the Board should be used to pay KIC – the question of whether or not it should just be part of their work to create these websites without that funding.

There were several other comments including a question about the marketing piece and that there needs to be some more research on that before it is funded. Wittmer asked if was \$17,000 in total. Friend stated that this was correct - \$17,000, \$5,000 of which would go to KIC now as they'd already built it, \$2,500/year maintenance for three years and \$4,500 for marketing funding. Rucker noted the comment Friend had mentioned about whether or not KIC should be charging for doing this and asked for discussion by the Board.

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Knapp said that it was his understanding that when the Board of Barbering had been engaged they had been told they could probably get a grant. Friend stated that yes, he believed that this was a mini-grant, which is for up to \$5,000. Myers stated that yes, as it was outlined in the business plan. Knapp stated that it was his personal view that INK should provide these websites for government entities, but not outside user groups - that there should be a charge for them. Having said that, he thought it was likely that KIC had been operating under this policy and that they do charge. He was not sure when that change was made. He thought the Board should approve this grant, but then review its policy about what they charge for going forward.

Wittmer stated that Larry Montgomery made a very compelling case, but he had difficulty “connecting the dots.” The business case in the document indicates that this is an industry in decline. He is trying to shore it up and grow it again in western Kansas where it is declining, but Wittmer is uncertain how the website is going to do that. He stated that he voted yes, but the real value of the website is to give credibility to the agency. Hill noted that the question is whether KIC should be doing this anyway. He said that he had some history on the PAVS committee where the Board was looking at past practice of “saying yes to everything”. And, this seems to be the poster child for things that historically that the Board has just said yes to. And, then all of a sudden after KIC starts developing, there's no return on investment on this. It is difficult to paint a good business case for undertaking this other than it just being the general best interests of citizens. It does seem to naturally fall outside with what the Board should really be engaging KIC to perform on its behalf. If the Board wants to do it with grant dollars, that's one thing – otherwise it doesn't seem to make sense to do. The odd thing is that it's the same entity, paying them to do something that they should be doing under the master contract. Knapp noted the history of how the portal had operated and suggested maybe now it was time to look at incentivizing different behavior besides building websites – certain options with no cost, others at a charge.

The Board continued to discuss in greater detail the relative merits of the application and the approach being used to fund such a situation through use of grants. Key excerpts include:

- Myers stated that the direction KIC follows is what's carved out in the business plan. The idea of the mini-grants had been discussed with the previous Executive Director and those agreements were presented to the Board earlier in the year in the 2016 Business Plan. However, it was later seen that there was no line item in the approved INK budget to cover that. He does think it is a good topic to bring up for 2017.
- Rucker asked Myers to cite the specific language supporting this effort that had been approved in the INK Business Plan. Friend reviewed the plan on his laptop and stated that the language fell under “Strategy 3: Unified Web/Digital Strategy”. It was one of the Tactics beneath that strategy labeled “Institute strategically focused grants to capture greater market share” and said “Establish at least 15 INK Board mini-grant funding for services during the year.”
- Hill posed a question about how payment of grant money would work – is this something that would be using hours that would otherwise be dedicated to the portal? For example, say that if KIC were to provide the Board a hundred hours a year, are they going to provide work on top of the hundred hours that the Board is already paying for, or is this part of it? He wants to make sure these kinds of things are above and beyond, versus taking away from resources dedicated to the Portal. Myers indicated these are part of the project plan supporting the 2016 Business Plan. So, Hill

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confirmed that this would not be on top of the work that was already incorporated in the plan for the Portal.

- Friend noted that he wanted to be careful with the language he used, but he would be remiss if he didn't bring up that a Board member had mentioned that there was always the possibility of consolidation among small agencies that might come into play in considering whether or not to begin this work.
- Rucker asked if there was a motion. He noted that the grants committee had voted 3-1 for approval. In further discussion, there was discussion about how the grant request came about, continued discussion about whether or not this should be considered within the mission of the portal and not be charged for, how much of an enhancement moving to the new site had been for Board of Barbering (some, but not a lot – more mobile-friendly, for example). The members acknowledged the vote of the grants committee was in favor, but when the Chair again asked for a motion, no motion was offered.

Action Taken: None. No motion was made – the grant application fails for lack of a motion.

- 6. Discussion on use of Penalty Fees.** Friend indicated that this was placed on the agenda at the request of Hill. It relates to reserving penalty fees paid by KIC (most recently \$60,000, \$20,000 of which came from last calendar year) for a special purpose vs. just adding them to the general INK fund balance. Hill stated that he wanted to make a motion to reserve it for use for special grant activities. He continued, explaining that these funds are associated with INK's customers being unable to access services, so the money should be dedicated to "giving back" for some greater purpose. He didn't know exactly what that looks like, but didn't want to see those grant dollars going straight back to KIC without seeing that they're doing some extra work. It doesn't necessarily fall into the category of regular grants, but he is looking for suggestions. Friend noted that it could be designated on the balance sheet.

Action Taken: Hill made the motion for penalty fees to be put to a special use going forward and that it would be for grant purposes. Knapp seconded.

Discussion: Knapp offered the example of a government transparency request by the Kansas Library Association to put computer somewhere and Hill confirmed this was an example. Hill felt that they should put some more detail on what the use might be at a later time. Rucker asked this to be added to the motion. Hill indicated he would be happy to meet with anyone on a very small committee to finalize the criteria. Metz asked that there be a limit on how long it would be until such criteria be established, perhaps three months.

Action Taken: The motion as amended, offered by Hill, was to designate penalty fees received by the Board for special use grants, with the criteria to be developed for their use in the next 90 days. Knapp seconded. Motion passed unanimously.

- 7. Update on Executive Director Search.** Wittmer provided the update for this agenda item. He began by indicating that there was not really an update because the committee had not met and he stated that this is entirely his fault. He offered that the first order of business is to agree on what that role is going forward and, therefore, what is being searched for. There is probably less than consensus around the table today

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about what that role is or should be going forward – this is the heart of the matter...What that person does for the Board, related to KIC, or for any other vendors that are brought on. He is not sure when or how that conversation needs to take place.

Thomson, a visitor in the room who is CEO of Payit asked to be recognized by the Chair. He wanted to share an observation. He stated that when he approached the previous Executive Director going back several years to share alternatives, he was directly told not to talk to any Board members. So, he would suggest that when that role existed, it was used to limit discussion. Since it has not existed, it has been more open. And, there is a thing the Board should know about technology and innovation and that is that the pace is rapid. He suggests that however the Board decides to pursue it, the models are changing rapidly across the country, so the Board should not close itself off. Rucker thanked him for his comments.

Hill stated that he didn't disagree that the job parameters need to change, but the fact that the Board has been on this now for four months indicates to him that the Board needs to have someone in a position that can handle some of these administrative tasks needed to carry this out. He suggested – he didn't have anyone in mind – the Board consider retaining some sort of consultant whose job is to look at what the job description really is, provide some advice to the committee on what the job description should be going forward, then perform the headhunting role of trying to identify individuals for that job. He imagines that it will be very difficult, even when the Board figures out what it wants the position to look like, to dedicate time to complete these activities as everyone's time is limited and the Board is volunteer. The Board doesn't necessarily have the time to write a new job description, look at resumes, and coordinate interviews. Instead, he recommends that the Board hire a consultant to handle some of these aspects of it.

Billingsley agreed, and said that he did know of a company that does this that is local here in town. He added that he has had some dealings with them. Rucker asked if the Board could direct him to coordinate with the chair of the search committee to provide that information. Billingsley stated that they are called Creative Solutions. Metz noted that he had used these people and that they were really good. He thought that they might also come back with some scope recommendations. Hill said that he was not trying to speed this process along too quickly – there should be a chance for all of the Board to have input on what the scope of the new role is. He thinks that is definitely the first phase of all this.

Action Taken: None.

Rucker asked the pleasure of the group to move up the New Business item before lunch to complete it quickly, which would give the members of staying for lunch or departing instead of waiting until afterwards. There were no objections.

8. New Business

April Outage update. Billingsley asked about the status of research on the penalty issue from the last meeting, where the motion asked for further clarity from Board Counsel on a recommendation on the outages. Friend looked up the actual motion to clarify to the group. Billingsley didn't feel like they had given him enough recommendation. Knapp asked if this was done in Executive Session. Friend said that the answer in brief was that the Board had terminated Counsel in the meeting right after that, so he did not have a formal relationship with any counsel to turn to about that. While the DofA counsel had

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discussed it briefly with him – they really didn't want to start advising the Board on things until the agreement had been signed. Friend then read the motion:

Knapp moved not to penalize KIC for the 'backup' outage, but request additional information and direction from Board Counsel. Billingsley offered a friendly amendment to include a request for legal advice on the advisability of assessing or not assessing the penalty with regard to the WorldPay outages. Revised motion seconded by Hill. Motion passes unanimously.

Friend indicated his intent was to move forward with that.

Rucker asked for additional new business.

KCPT Broadcast of 2017 State of the State. Friend wanted to let the Board know that the encoder that had been approved for the Governor's Office had been purchased so that was on its own track with regard to the streaming video of the 2017 State of the State. However, he has been contacted by KCPT with regard to gaining access to the funding that had been set aside for TV broadcast of the State of the State in 2017. He stated that he didn't have authority to tell them yes or no, but it was in the budget. However, what he didn't know is whether or not the solution being pursued by Sprague meets the need for TV broadcast – it may just meet the web need. So, there could be a breaking issue on that. He just wanted to let the Board know that this money had been set aside in the past and that he had reached out to the committee working on this for further information.

Action Taken: Billingsley moved to adjourn meeting, seconded by Hill. Motion passed unanimously.

Adjournment

Meeting adjourned at 12:21 p.m. The next INK board meeting will be at 10:00 a.m. on October 4, 2016, at 700 SW Harrison, Topeka, Kansas, 2nd Floor Conference Room

Minutes submitted by: Nikki Reed/Duncan Friend