

RECAP



SDC Finance Committee

Members

Elizabeth Harchenko
Revenue

Scott Harra
DAS-DO

Bret West
DAS-OPS

Dugan Petty
DAS-EISPD

Julie Bozzi
DAS-SDC

Robin Barnes
DAS-Finance

Pat Middelburg
DAS-SDC

Darin Rand
DAS-SDC

Ben Berry
ODOT

Barry Nathan
ODOT

George Ostertag
OED

Kay Erickson
DCBS

Jim Scherzinger
DHS

Satish Upadhyay
ODF

Traci Cooper
DHS

Kailean Kneeland
OSP

Meeting Date: April 7, 2010

Time: 1:00pm – 2:30pm

Location: SFMS Conf. Rm.

Attendees: Pat Middelburg, Sandy Jefferson, Elizabeth Harchenko, Kay Erickson, Kailean Kneeland, Satish Upadhyay, Barry Nathan, George Ostertag, Robin Bucholz, Patrick Taylor, Robin Barnes, Jim Russell, Kat Kordon

Chair: Elizabeth Harchenko

ITEM	ACTION, DISCUSSION
Distributed Server Counts	
Kat Kordon	DHS will confer with SDC regarding server counts. Agencies will need to report to Kat what growth they expect in their server counts in the next biennium. Kat explained that the server numbers came from the request tracking system. Sandy brought up that some of the server numbers that were being reduced have not been accounted for. Since Distributed Server line is based on server counts, the counts need to be reflected accurately. <i>Pat will go back to see how numbers are being pulled from tickets.</i>
09-11 Mid Biennium Rate Adjustments	
Kat Kordon	<u>Mainframe Usage Projections</u> Kat stated that she had not heard from agencies of any significant changes in business so the method 1 as approved in the last meeting will stay.
	<u>Distributed Local Usage Projections</u> Group agreed at last meeting to change Method 1 to incorporate a 4 mo. average rather than an 8 mo.
Kat Kordon	<u>Distributed Remote Usage Projections</u> George brought up a concern that the costs are unknown in the calculation. He stated, "If you are going hold costs flat and usage flat, you get to a rate, and if the usage is higher, you still get the revenue". Its important that the

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	<p>numerator and denominator are consistent. The expenses that the SDC is incurring in each of the service lines have settled reasonably well and we can better forecast over the remaining biennium. In some of the service areas we are over-collecting. We need to figure out if there is anything in the cost of delivering the service & if there is anything that will make those costs go up. The comment section will be helpful to identify peculiar drivers and how events might impact costs.</p> <p><i>Pat will validate the November numbers, but the group agreed to use a 4 mo. average from Nov thru to Feb.</i></p> <p><u>Tier 1 Storage Usage</u> Patrick stated that there is a concerted effort to minimize the use of Tier 1 storage. He said that the SDC is probably treating this as a fixed asset. There are other ways to distribute data to Tier 2.</p> <p>Discussion occurred around the 3 separate categories in the storage areas.</p> <p>Kat said that they are using a ratio relationship between the five tiers and their rates we floated overall storage expenses for rate building so it models out that way.</p> <p>George is concerned about how distribution of cost is occurring.</p> <p>Kat said they do not track expenditures by these 5 tiers. They distribute by industry standards, based on the relationship of the costs of the different tiers. Gartner publishes these standards that are used. Barry questioned if this method is an optimal solution over a long period of time. Patrick stated that the rates for remote storage for the amount of support that goes into them, seems inappropriate to ODOT. He said that it's a significant mis-categorization and it was unprojected revenue, which has a negative impact on ODOT, (which has a lot of this kind of storage.) The costs for the management, acquisition, and maintenance is not consistent with Tier 2 storage. Since it is having a significant impact, <i>Elizabeth asked that a small group be formed to address the rate method. Patrick Taylor, Sandy Jefferson, Pat</i></p>
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	<p><i>Middelburg, Traci Cooper and/or Doug George will serve on that subcommittee. Group will look at disk related tiers and bring back conversation on April 21st.</i></p> <p><u>Tier 4 & 5 Tape Storage Usage Projection</u> Elizabeth asked for any major issues that will affect tape storage. Patrick stated that there are major efforts underway to upgrade the LAN backups. ODOT would like to lower costs significantly in this area. He stated that the function of tape storage is different than disk storage. Patrick said there is re-engineering efforts taking place this biennium with regard to tape storage, to eliminate the multiple back-ups. Elizabeth asked, is there anything in the near term that would effect this biennium, Patrick said the major issue is the over-collection.</p> <p>Kat said that the problem with the over collection was that we drastically under-estimated the unit counts and so the rates would have been lower if we had an accurate count. Kat said she needed to take the overall costs for storage and use the industry ratios in order to spread the costs.</p> <p><i>The SDC Staff will correct the spreadsheet to add original projection back in by April 14th. They will look at the over-collection piece and how dollars were budgeted by April 21st..</i></p> <p>George reminded the group that the revenue should cover expenditures and not limitation.</p> <p>Elizabeth asked that the group understand how much over-recovery is occurring in the storage areas and what to do to have recovery that is reasonable to recovering the costs of providing this service. Also, what we need to do with the business practice change in this service area for the `11-13 biennium.</p>
POP 805 Project Criteria	
Darin Rand	<i>Darin has sent out POP handout, he is requesting that comments be sent to him directly.</i> Discussion to occur on April 14 th .
Planning	

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Elizabeth Harchenko	Recommendations needed by May 24th Final Decision will be June 28 th . Next meeting Elizabeth asked to look at the expenditure side of things. What has been recovered? What has the charges generated? Are there any adjustments proposed to the cost base? What are they and how will we deal with them?
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Next Meeting:
April 14, 2010
10:30 - Noon
Conf. Rm. A