

**DAS CUSTOMER COUNCIL MEETING MINUTES:
July 31, 2019**

A regular meeting of the DAS Customer Council was held on Wednesday, July 31, 2019, in the Grant Conference Room at Iowa Vocational Rehabilitation in the Jessie Parker Building at 510 East 12th Street in Des Moines, Iowa. The meeting was called to order by Chair David Roederer at 10:00 a.m.

MEMBERS PRESENT

Judy Bradshaw, Iowa Law Enforcement Academy
Gerd Clabaugh, Iowa Department of Public Health
Kent Farver, Judicial Branch
Larry Johnson, Department of Inspections and Appeals
Jim Kurtenbach, Department of Administrative Services (DAS), Vice-Chair
Mark Lowe, Department of Transportation
Steve Lukan, Iowa Department of Veterans Affairs
Kraig Paulsen, Iowa Department of Revenue
David Roederer, Department of Management (DOM), Chair
Beth Townsend, Iowa Workforce Development

MEMBER PARTICIPATING VIA PHONE

Linda Miller, Iowa Department on Aging

MEMBERS ABSENT

Debi Durham, Iowa Economic Development Authority and Iowa Finance Authority, Ex-Officio Member
Kayla Lyon, Department of Natural Resources
Meghan Nelson, Legislative Branch (House)
Beth Skinner, Department of Corrections
Charlie Smithson, Legislative Branch (Senate)

DESIGNEE

Rita Grimm, Iowa Economic Development Authority, for Ex-Officio Member Debi Durham (Non-Voting Member)

OTHER ATTENDEES

Adam Broich, Legislative Services Agency (LSA)
Paul Carlson, DAS
Susan Churchill, DAS, responsible for taking meeting minutes
Jay Cleveland, DAS
Mike Cornelison, DAS
Tera Granger, DAS
Scott Gustafson, DAS
Marie Hawthorne, DAS
Dave Heuton, DAS
Jacquie Holm-Smith, DAS
Mirela Jusic, DAS
Dylan C. Keller, Legislative Branch (Senate)
Jessica Lingo, DAS
Kris May, DAS

DAS CUSTOMER COUNCIL MEETING MINUTES: July 31, 2019

Nick Miller, DAS
Christy Niehaus, DAS
Nathan Reckman, DAS
Deb Scrowther, DOM
Bruce Trautman, DNR
Chris Ubben, LSA
Karl Wendt, DAS
Tami Wiencek, DAS
Jim Wittenwyler, Department of Public Safety
Others may have been present who did not sign in.

AGENDA ITEMS

- I. The meeting was called to order at 10:00 a.m. by Chair David Roederer.

- II. Introductions
 - A. Chair Roederer asked Council Members to introduce themselves and the agencies they represent.
 - B. Chair Roederer then asked the guests to introduce themselves and state where they work.

- III. Minutes from Meeting on July 31, 2018.
 - A. While the minutes of the last meeting were approved via electronic vote last summer, Chair Roederer asked for a motion to approve from the current members of the Council.
 1. **MOTION:** Judy Bradshaw made a motion to approve the minutes.
 2. Beth Townsend seconded the motion.
 3. Motion passed unanimously.
 - B. The minutes of today's meeting will be distributed within two weeks for review and electronic voting.¹

- IV. Council Membership: Terms Expiring August 31, 2020 – Chair Roederer stated that a listing of Council Members with corresponding term expiration dates could be found on the [Customer Council](#) website.

- V. DAS Business Plan – *DAS Deputy Director Dave Heuton reviewed the proposed rate adjustments, as outlined in the DAS Business Plan, before Chair Roederer brought all action items to the floor for one collective vote.*
 - A. Flexible Spending FY20 and FY21 Rate Adjustments – **Action Item**
 1. This service—which includes deferred compensation, health insurance, and dependent care—is provided by a third-party vendor.
 2. DAS proposed an increase in the previously approved FY20 rate from \$38.00 per participant to \$40.56 per participant, and DAS proposed the same rate for FY20 and FY21.

¹ Council Members decided voting should be public, so they will vote on the minutes during the next public meeting.

**DAS CUSTOMER COUNCIL MEETING MINUTES:
July 31, 2019**

3. Larry Johnson asked if it was standard to approve FY20 rates in FY20; Dave Heuton clarified that the State experienced an unexpected increase in costs last year and the vendor agreed to suspend the rate increase until FY20.
- B. Family and Medical Leave Act FY20 and FY21 Rate Adjustments – **Action Item**
1. This service is provided by Reed Group, a third-party vendor.
 2. The vendor’s rate is based on volume; because the State saw an increase in the number of FMLA cases, the rate increased.
 3. DAS proposed a rate of \$24.00 per filled position for FY20 and \$27.60 per filled position for FY21, up from \$19.20 per filled position in FY19.
 4. Beth Townsend asked if DAS was looking at another vendor; Christy Niehaus, Chief Executive Officer of DAS – Human Resources Enterprise, replied that DAS is working on the RFP (Request for Proposal) now.
- C. Employee Assistance Program FY20 and FY21 Rate Adjustments – **Action Item**
1. This service, provided by a third-party vendor, is funded by the number of filled positions.
 2. Because Community Based Corrections saw an increase in hiring, the cost for this service increased.
 3. DAS proposed an increase in the previously approved FY20 rate of \$6.00 per filled position to \$6.48 per filled position, and DAS proposed the same rate for FY21.
- D. Benefits FY21 and FY22 Rate Adjustments – **Action Item**
1. The rate for this service—provided by the third-party vendor, Deloitte—had been supported by a balance forward, which the State no longer has.
 2. The State is self-insured and experienced two large claims in recent years totaling \$7 million, causing rates to increase.
 3. Because the State will need to true-up the costs at the end of the contract, DAS is proposing an increase to the previously approved FY21 rate from \$37.72 per filled position to \$43.80 per filled position, and DAS proposed the same rate for FY22.
 4. COO Christy Niehaus clarified the services provided by Deloitte:
 - a. Analyzing the Wellmark contract.
 - b. Analyzing actuarial costs from Wellmark.
- E. Vehicle Self Insurance FY20 Rate Adjustment – **Action Item**
1. Over the last two years, the number of totaled State vehicles has dramatically increased.
 2. DAS proposed an increase in the previously approved rate for FY20 from \$346.91 per vehicle to \$432.00, and DAS proposed the same rates for FY21 and FY22.
 3. The Council discussed how self insurance works when employees rent vehicles from Enterprise or drive their own vehicles; Dave Heuton clarified:
 - a. As long as employees use the State’s contract to rent vehicles from Enterprise, the employees and vehicles are covered.
 - b. If an employee chooses to drive his or her personal vehicle on State business, the State’s insurance will cover the other driver only; the employee’s vehicle will not be covered under the State’s insurance. (The employee’s medical would be covered under workers’ compensation.)
- F. Blanket Bond FY20 Rate Adjustment – **Action Item**
1. This surety bond applies to all State employees, including Community Based Corrections, Regents, and Fair Authority.
 2. The rate is based on the number of filled positions, both full- and part-time.

**DAS CUSTOMER COUNCIL MEETING MINUTES:
July 31, 2019**

3. DAS proposed an increase in the previously approved FY20 rate from \$0.80 per filled position to \$0.81 per filled position.
- G. Association Rate FY22 Rate Adjustment – **Action Item**
1. DAS proposed a rate of \$6.50 per square foot in FY22, which is an increase of \$0.25 per square foot from FY21.
 2. The increase will be used for routine maintenance on the Capitol Complex and Ankeny Labs.
 3. Kraig Paulsen asked for the dollar amount generated by this \$0.25 increase; Chief Financial Officer Kris May replied it would be \$287,000.
 4. Linda Miller asked if the association rate including window washing; Kris May replied that the rate covered washing first-floor windows only.
- H. Design and Construction FY22 Rate Adjustment – **Action Item**
1. This hourly rate is applied only if DAS is involved in an agency design and construction project.
 2. DAS proposed an increase in FY22 to \$100.00 per hour, up from the \$95.00 per hour previously approved for FY21.

At this time Chair Roederer asked for a motion to approve the rates proposed in items 5A through 5H on the agenda.

1. ***MOTION:*** Mark Lowe made a motion to approve the rates.
 2. *Gerd Clabaugh seconded the motion.*
 3. *Motion passed unanimously.*
- I. I/3 Allocation Adjustment
1. Dave Heuton clarified the difference between the three types of DAS rates:
 - a. Utilities – rates for services agencies must get from DAS (the rates the Council just approved).
 - b. Marketplace – rates, also approved or denied by the Customer Council, for services agencies may choose to use or not (such as Human Resources Associate services).
 - c. Allocation – rates are fixed, based on a methodology.
 2. An allocation increase is needed for I/3 due to the costs associated with moving to a new computer platform.
- J. Purchasing Allocation Adjustment
1. An allocation decrease of \$125,000 is needed due to a cost savings.
 2. DAS will temporarily suspend rates.
- K. Methodology Discussion – Vehicle Self Insurance
1. Dave Heuton explained:
 - a. Currently, methodology is based solely on the number of vehicles an agency has.
 - b. DAS would like to look at the number of vehicles *and* agency experience.
 - c. Last year, the Customer Council approved a change in the methodology for workers' compensation, as it was unfair to agencies with no claims.
 2. Chair Roederer pointed out that one bad accident in a small agency would be extremely detrimental to its budget.
 3. Larry Johnson requested historical data on what was changed in the workers' compensation methodology and how that change is working.

DAS CUSTOMER COUNCIL MEETING MINUTES: July 31, 2019

VI. Discussion – *The discussion centered on future Customer Council meetings, as noted below.*

VII. Proposed Future Customer Council Meetings

- A. Prior to the July 31, 2019, Customer Council meeting, Dave Heuton, along with DAS Chief Financial Officers and Chief Operating Officers, held two telephonic meetings for statewide Financial Managers and Directors to ask questions pertaining to DAS rates; a total of 12 agencies and 22 people participated in the meetings and asked questions regarding:
 - 1. Procurement methodology.
 - 2. The reasoning behind basing FY20 rates on FY17 data.
 - 3. General methodology behind the various rates.
- B. Dave Heuton suggested the Council have one or two meetings in the fall to discuss potential changes to rate methodology; the meetings would be conducted as Customer Council meetings.
- C. Director Kurtenbach noted that because Council Members represent other small, medium, or large agencies, all statewide Directors would be kept informed.
 - 1. The listing of [agencies by size](#) can be found on the DAS Customer Council website.
 - 2. Council Members' [representation](#) of small, medium, and large agencies can also be found on the DAS website.
- D. Chair Roederer spoke about the make-up of a potential subcommittee to discuss rate methodology:
 - 1. The Council could appoint others to serve.
 - 2. Members could include employees from departments not currently represented on the Council.
 - 3. At least one member of the subcommittee should be a Council Member.
- E. Gerd Clabaugh suggested it might be useful to have one-on-one meetings to discuss how rates are established.
- F. Director Kurtenbach stated that DAS could hold educational forums for anyone to attend.
- G. Dave Heuton summarized how DAS would proceed:
 - 1. DAS will discuss the idea of a subcommittee to discuss rate methodology at the next Financial Managers Meeting on August 23, 2019.
 - 2. DAS will collect suggestions and set a meeting.

VIII. Adjourn – Chair Roederer asked for a motion to adjourn at 11:02 a.m.

- A. **MOTION:** Kraig Paulsen made a motion to adjourn.
- B. Gerd Clabaugh seconded the motion.
- C. Motion passed unanimously.