

**NEBRASKA STATE RECORDS BOARD**

**MINUTES**

**Meeting of January 31, 2013**

**Agenda Item 1. CALL TO ORDER, ROLL CALL**

The meeting of the Nebraska State Records Board was called to order by Chairman John A. Gale at 9:05 A.M. on January 31, 2013, in Room 1507 of the State Capitol, Lincoln, Nebraska.

A Roll Call was taken. The following Board members were present:

John A. Gale, Secretary of State, State Records Administrator and Chairman;  
Michael D. Foley, Auditor of Public Accounts;  
Don Stenberg, State Treasurer;  
Scott Keene, representing the Insurance Industry;  
Carlos Castillo, Director of Administrative Services;  
Julie A. Beno, representing Libraries;  
Brian Buescher, representing the Legal Profession;  
Brenda L. Decker, representing the Governor;  
Leslie S. Donley, representing the Attorney General;  
Mike Konz, representing the Media;  
Greg Osborn, representing the General Public

Absent: Ryne D. Seaman, representing the Banking Industry

Staff in attendance:

Cathy Danahy, Executive Director;  
Colleen Byelick, Legal Counsel;  
Tracy Marshall, Recording Clerk

**Agenda Item 2. ANNOUNCEMENT OF NEBRASKA OPEN MEETINGS ACT**

Chairman Gale announced that in accordance with the Nebraska Open Meetings Act, reproducible written materials to be discussed at the open meeting and a copy of the Nebraska Open Meetings Act are located to the right of the public seating area.

**Agenda Item 3. NOTICE OF HEARING**

Chairman Gale announced public notice of the meeting was duly published in the Lincoln Journal Star on December 31, 2012 and on the state's website Public Meeting Calendar. The public notice and proof of publication relating to the meeting will be attached to and made a part of the meeting minutes.

**Agenda Item 4. ADOPTION OF AGENDA**

Mr. Buescher moved to adopt the agenda as presented; seconded by Mr. Keene.

Voting For:                      Beno                      Buescher                      Castillo                      Decker                      Donley

	Foley Stenberg	Gale	Keene	Konz	Osborn
Voting Against:	None				
Absent:	Seaman				

The motion carried.

**Agenda Item 5. APPROVAL OF MINUTES**

Chairman Gale asked for a motion to approve the minutes of the November 14, 2012 meeting. Ms. Beno moved to approve the minutes; seconded by Mr. Osborn.

Voting For:	Beno Gale	Buescher Keene	Castillo Konz	Donley Osborn	Foley Stenberg
Not Voting:	Decker				
Voting Against:	None				
Absent:	Seaman				

The motion carried.

**Agenda Item 6. PUBLIC COMMENT**

Chairman Gale asked the members of the audience if anyone wished to come forward to provide public comment on any of the agenda items. No audience member indicated a desire to provide public comment.

**Agenda Item 7. NEBRASKA INTERACTIVE CONTRACT**

**Agenda Item 7.a TESTIMONY**

The following individuals provided testimony to the service of Nebraska Interactive, LLC:

1. Douglas County Clerk of the District Court – John Friend  
Mr. Friend provided positive testimony regarding the services of Nebraska.gov and recommended renewal of the contract for two years.
2. Supreme Court – JUSTICE System - Janice Walker, State Court Administrator & Bill Miller, Deputy State Court Administrator  
Ms. Walker and Mr. Miller provided positive testimony regarding the services of Nebraska.gov and recommended renewal of the contract for two years.
3. Department of Motor Vehicles – www.Click DMV Services - Beverly Neth, Director  
Ms. Neth provided positive testimony regarding the services of Nebraska.gov and recommended renewal of the contract for two years.

Chairman Gale declared a recess at 10:30 A.M.

Chairman Gale reconvened the meeting at 10:45 A.M.

4. Secretary of State – Business Services - Colleen Byelick  
Ms. Byelick provided positive testimony regarding the services of Nebraska.gov and recommended renewal of the contract for two years.

5. Chief Information Officer – State of Nebraska – Brenda Decker  
Ms. Decker provided positive testimony regarding the OCIO partnership with Nebraska.gov and recommended renewal of the contract for two years.
6. Nebraska Interactive Representatives Brent Hoffinan, General Manager, Nebraska Interactive, LLC and Carmen Easley, Director of Operations, Nebraska Interactive, LLC.  
Mr. Hoffman and Ms. Easley provided a report of accomplishment of the Nebraska portal operations and services.

**Agenda Item 7.b REPORTS**

**1. Network Operations Manger Review Subcommittee Report (John Gale Chair)**

Chairman Gale reported a letter was sent to Mr. Harry Herington, CEO, NIC, Inc. on behalf of the Network Operations Manager Review Subcommittee on January 15, 2013 requesting consideration of Nebraska Interactive, LLC using the State’s merchant bank and for payment processing, changing from a 90/10 revenue split to an 85/15 revenue split if a two year renewal were approved by the Board. He reported a subsequent phone call occurred between Chairman Gale and Mr. Herington on January 28, 2013. Chairman Gale said an 85/15 revenue split was unacceptable to Mr. Herington since during the negotiations of the current contract technology enhancements to the Nebraska portal were promised by NIC under the 90/10 revenue split. NIC said they have invested accordingly in technology enhancements and staff hiring and/or retention. Mr. Herington gave a tentative “yes” to using the State’s merchant bank. Mr. Herington indicated NIC is willing to enter into transition discussions with the NE State Treasurer. Chairman Gale said other conversational matter included NIC’s disaster recovery system and the 2012 outage for which they were ultimately fined. Mr. Herington explained circumstances leading to the outage and indicated NIC has hired new IT staff and will be sending his new top IT officer, Jeff Shaw, to Nebraska to meet with the Board and update them on the changes they are making to their system to correct and improve the Ashburn, VA and Allen, TX operations. Mr. Herington would like to visit with the Board personally next summer to talk about their e-government relationship and what the future may hold.

**2. Finances Review Subcommittee Report (Mike Foley, Chair)**

Mr. Foley distributed a chart originally circulated at the November 14, 2012 meeting and explained the numbers were pulled from the PricewaterhouseCoopers audit. He reported his CPA, Brent Kubicek and Brent Hoffman have been in contact and additional data was secured for analysis by the Finances Review Subcommittee. He said the numbers in the distributed chart were both G&A expenses and cash dividends. In the past two years \$2.6 million in dividends from the subsidiary corporation in Nebraska to the parent corporation in Kansas were in addition to the G&A expenses going from the subsidiary to the parent corporation.

11:45 A.M. Ms. Decker left the meeting.

11:47 A.M. Ms. Decker returned to the meeting.

After further comments from each Board member, Ms. Brenda Decker moved that the State Records Board renew the current contract with NIC for an additional two years; seconded by Mr. Keene.

Voting For:	Beno Gale	Buescher Keene	Castillo Konz	Decker Osborn	Donley Seaman
Voting Against:	Foley	Stenberg			
Absent:	Seaman				

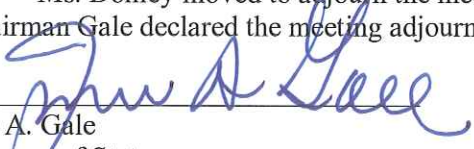
The motion carried.

**Agenda Item 12. DATE FOR NEXT MEETING**

Chairman Gale announced the next NE State Records Board meeting will be held on Wednesday, February 13, 2013 at 9:00 A.M. in Room 1507, State Capitol Building, Lincoln, Nebraska.

**Agenda Item 13. ADJOURNMENT**

Ms. Donley moved to adjourn the meeting. All members present signified by saying "aye". Chairman Gale declared the meeting adjourned at 12:38 P.M.

  
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John A. Gale  
Secretary of State  
State Records Administrator  
Chairman, State Records Board

2/13/13  
\_\_\_\_\_  
Date