

SDC Finance Committee –

Meeting Minutes - Date: November 21, 2007 2:00 – 3:30

Attendees: Bret West, Kate Coffey, Barry Nathan, Pat Middelburg, Melody Riley, Jim Scherzinger, Peter Lundberg, Clark Seely, Mark Reyer, Elizabeth Harchenko, Dugan Petty, Scott Harra

Agenda Items:

- ✓ Subgroup report on distributed servers - Pat M
 - ✓ "Final" proposed rates for all service lines - Decision
 - ✓ Assign pieces to draft presentation to Governing Board
- Preview of capital/expense items needed at SDC – Mark
(potential POPs for 09-11; possible 07-09 needs not in current budget)

Handouts:

Report of the Finance Subcommittee
State Data Center Rate Calculations AY 2007-09

Report from Distributed Server Group

Jim Scherzinger reviewed the handout: Report of the Finance Subcommittee

Mark emphasized the need to describe server usage as “allocated capacity” to avoid any confusion. Agencies will be charged on allocated capacity.

Under 2b of the handout Mark told the group that there will be a transition period where applications would be riding on both an old box and a new box for purposes of testing possible back out. At any point in time during the transition there could be 25% overlap of new and old boxes running the same applications, but these charges would be considered a consolidation cost. This transition is expected to last about 2 years.

Clark asked for data that outlines under usage presented at the Governing Board Meeting and Mark agreed to send him the information.

Jim posed a problem to the group with regard to #3 of the handout and capacity measurement. Can SDC determine a comparable capacity measurement between standalone boxes, virtual servers and blade servers? Another consideration is that the rates are based on “today” which presumes that we switch over to virtual servers and can define what that capacity means on those servers. No additional charge will be billed, unless the capacity exceeds what’s been paid for up front.

Mark suggested that if an agency had a “new” requirement for additional capacity, they would be billed accordingly and aside from their fixed rate of allocated capacity. Clark raised the possibility that the agency would bring their funding for more capacity and then

the server would become property of the SDC, similar to what currently happens in the State Forestry motor pool. Mark suggested that this process would need to be addressed but that those conversations could occur later after the base rates are established.

Report from Mark Reyer on the details of Distributed Server recommendation

In order to manage capacity and consolidate capacity it is necessary to depend on some degree of standardization in the SDC. He explained that there are different types of capacity. He stressed that further analysis must be done to determine the types of software being utilized, and the nature of their application.

He suggested that the best way to allocate virtual machines is based on memory (RAM), since agencies are sharing the space. This is what much of the commercial industry is currently doing.

Melody posed a question, "What would the cost be if a new application comes online, and it is a candidate for a shared server environment?" Mark suggested that maybe it could be contained within the COP consolidation funds or we come up with a daily rate based on memory.

Summary of presentation of Distributed Servers - Elizabeth Harchenko

We recommend to the governing board that we look at what today is being charged to the agencies for distributed servers. We hold that constant for at least the rest of this fiscal year. The SDC will use remaining COP \$6.5-\$7M to manage the capital investment of the new consolidation servers.

If there is a new application that is a good candidate to go on the new consolidation server, we can use the memory based system to charge for that at least until we catch the rest of the system up. It would be equivalent to a flat rate per server.

Exception, if an agency requires an application that can not be put on a consolidation box, and it requires more capacity than the agency had been paying for, there will need to be negotiation between the agency and SDC.

Peter explained the State Data Center Rate Calculation spreadsheet

After discussion of the spreadsheet, Peter agreed to incorporate the data into the previously adopted subcommittee reporting format for Monday's meeting.

Action Items:

Mark will incorporate the discussion and update the "Report of the Finance Subcommittee"

Peter will include the column titled "Total Cash Needs" into the spreadsheet and e-mail out. He will also get the "beginning balance" for Voice.

Peter will incorporate the rate calculations into the subcommittee's reporting format

Bret will request a representative from BAM attend the Nov. 26th meeting.

Next Meeting:

Monday, November 26, 2007 from 8:30 to 10:00
DAS Executive Building SFMS Conf. Room