

DRAFT

Summary of Uniform Voting System (UVS) Advisory Committee Meeting April 5, 2013

The meeting was called to order by Chair Debra Johnson.

The Chair asked for comments on the Draft Summary of the UVS Advisory Committee Meeting of March 22, 2013. Member Leing suggested adding to the summary that the Committee had discussed providing the public the opportunity to provide input on the items included in the survey sent to Clerks and Recorders. Without objection the Committee agreed with Member Leing's suggestion and approved the summary.

The Committee agreed with Chair Johnson's suggestion that Clerks should be advised to complete and return the equipment and support survey by Friday, April 12, 2013. The Chair requested staff to advise Clerks of the requested deadline.

Colorado Deputy State Treasurer Brett Johnson presented information to the Committee regarding discussions and options being considered for financing the purchase of new voting equipment for the UVS.

Deputy Johnson described a similar program (BEST) which is used by Colorado schools to finance building and equipment purchases via a State guarantee of such loans.

Advantages of such a program include the State can get a better financing rate, there may be a cost benefit by identifying the finance package in the RFP, and local jurisdictions can make the purchases they need and pay back over an amortized period.

When asked about 64 counties perhaps purchasing equipment at different times, Deputy Johnson discussed that there may be an annual adjustment to the prevailing interest rate on the loan and an annual opportunity for jurisdictions to make purchases under this program.

The issue of a local jurisdiction defaulting on its obligation was discussed and Deputy Johnson said that in such a case the State would be the guarantor to the lender and would be "on the hook" for the funds, however the State has mechanisms in place to recover such funds from a defaulting jurisdiction.

Deputy Johnson made several points in response to questions from Committee Members:

- Investors in such an arrangement look at the credit worthy status of the entire state government rather than a single jurisdiction or single State department.
- The potential exists for a "re-funding" mechanism perhaps using the per voter payment the State makes to flow into the payment process.

- The State Treasurer's Office may be able to assist in RFP and/or contract development if that is desired.
- The evidence of "tangible savings" by going to a new system can be a positive factor for local jurisdictions in justifying repayment under an overall State guaranteed loan.
- The terms of finance are currently estimated at seven (7) years but that can be more or less depending upon the expected lifecycle of the equipment being financed.
- Additional draws against the loan may be possible if counties want to add additional equipment after the initial purchase.
- Legislation may or may not include the triggers for financing; however the legislation must include the dollar limit for credit.

In the ensuing discussion the following points were made by members and staff:

- This approach may be more important to smaller counties, and larger counties with viable funding potential may opt not to participate in the State guaranteed financing program;
- Not all counties need to participate to make the financing program viable;
- Vendors may give a better quote if they know they are getting their money up front via a State guaranteed program.

The Chair thanked Deputy Johnson for a very informative presentation.

Discussion continued relating to the public's role in the equipment purchase input. A consensus that the appropriate forum for such input will be the Public Participation Panel (PPP) being formed by the Secretary of State and the Committee agreed that Member Leing would be the liaison from the Advisory Committee to the PPP.

The Committee asked staff to identify pages in each RFI response that contain relevant content to be considered in creating functional system requirement for an RFP and to send that information to the Members.

The Chair suggested that the next meeting should include a "whiteboard process" designed to produce some consensus on the Committee's approach to the RFP system requirements.

The Committee also asked for additional information on the Voting System equipment certification issues involved in the UVS project.

Committee members reiterated their concern about the projected timeline for issuance of the RFP and selection of a UVS vendor given the potential need for an original or additional certification process.

The next meeting is scheduled for May 3, 2013 at 12:00 noon in the Aspen Room at 1700 Broadway St., Denver.