

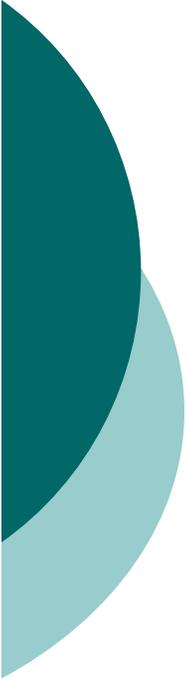


iDSS Briefing

Ways and Means/Budget Committee

December 18, 2006

12:30 – 1:30 pm



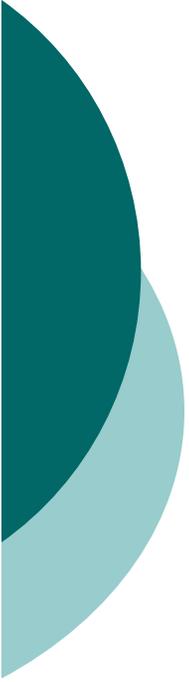
2006 Events

- **May:** City authorized 3rd loan to Meet Minneapolis for iDSS totaling \$10 million
- **June:** City, MM, iDSS agree on benchmarks
- **August:** iDSS not meeting benchmarks
- **September:** iDSS CEO resigns
- **Oct/Nov:** iDSS board and interim CEO develop options and make immediate cost reductions
- **December:** iDSS board recommends short term turnaround plan



Changes to Business Plan

- Reduce staff and operating costs
- Focus on DMS and RH products
- RH product ready for customer use on 1/1/07
- Refocus on domestic market
- Pricing and sales practices directed and disciplined to achieve targeted profit margins
- Limit changes in product
- Changes in DMS product Customer funded
- Compensation plans reduced and include incentives consistent with achieving profit margins



Current Situation

- Current loan balance - \$7.63 million
- Monthly loan draws - \$250,000
- Search for CEO
- Execute turnaround plan
- Board will monitor progress and review status not later than March '07



Risks

- Can iDSS execute this plan?
 - Market for product
 - Ability of management
- Will the additional invested capital increase the value of iDSS by a like amount?
- Impact to City and MM if interest is subordinated to new investors in 2008?