

INFORMATION TECHNOLOGY

Information Technology

FUNDING OVERVIEW

Fiscal year 2011 was the first year that citywide Information Technology (IT) capital needs were referenced in the CIP. Since adoption of the 2010 budget, de-bruced property tax revenues have become the primary funding source for the first Technology CIP, supplemented by limited transfers from the IT operating budget. As of 2011, \$697k in undesignated funds have been accumulated in the fledgling IT CIP. These funds are currently included in a special category of the IT department's operating budget and no expenditures have been made. Additional funding commitments to the IT CIP have not yet been established given the higher level funding needs of the most pressing capital projects.

Though not yet elements of the CIP, the Computer Replacement Fund (CRF) and the Telecommunications Fund (TF) have been used to progressively accumulate replacement reserves for personal computers, server equipment, network infrastructure, central telephone systems and associated operating system and database software. These are separate Internal Services Funds administered by the IT department. The Telecommunications Fund accumulated sufficient funds for the purchase and implementation of a new citywide telephone system for the city in 2010-2011 – an expenditure that would typically be included in a municipal CIP.

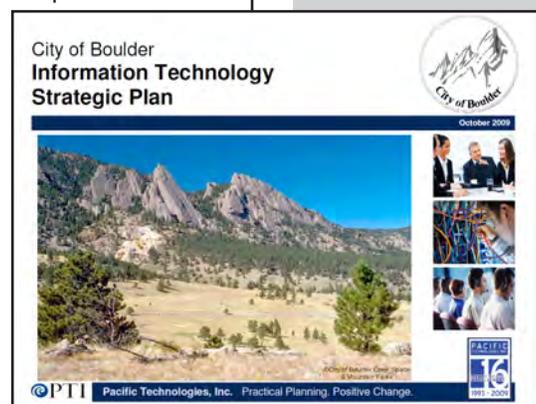
ACCOMPLISHMENTS AND HIGHLIGHTS

Fiscal year 2011 having been the first year that IT capital investment needs were included in the CIP, accomplishments based on prior-year capital expenditures are not referenceable. In addition, other than a significant upgrade to the city's email, server and storage systems and replacement of the citywide telephone system funded by IT Internal Service Funds, no major IT-related capital purchases from non-CIP funding sources have taken place in the last several years given operating budget limitations.

However, it is noteworthy that a consultant-assisted, citywide Information Technology Strategic Plan was completed in 2009 covering the period from mid-2009 through 2013. Tied to both the lack of a current IT plan and specific Blue Ribbon Commission I (BRC-I) recommendations that city functions undergo strategic operating assessments, this document identifies, prioritizes and costs a number of critical strategic technology investment imperatives. These projects address both exposures from aging systems and opportunities to leverage new technologies to improve organizational efficiency and effectiveness.

The table on the top of page 55 present both one-time capital and associated operating cost estimates for each strategic implementation project. The lower table highlights annualized

Information Technology
Strategic Plan, 2009



costs. The IT Strategic Plan includes both capital and supporting operating investment projects. Noteworthy capital projects (both for their strategic importance and resource requirements) include:

- Implementation of a new financial management/ERP system for core accounting, budgeting, payroll and human resources needs.
- Implementation of a new citywide permit management system.
- Implementation of a new citywide maintenance management system.
- Enhancements and additions to the city’s website and related customer-facing, e-Government on-line applications
- Document management automation.
- Implementation of business intelligence (BI) applications.

Unmet funding needs for these projects are being evaluated as part of the Capital Investment Strategy (CIS) Stakeholder analysis. Nonetheless, a formal needs assessment for replacement of financial, human resources, payroll and maintenance/asset applications will begin in July 2011. Plans are also underway to create specifications for the replacement of the citywide permit management system. If supplemental funding can be made available, implementation of these critical replacement systems could begin as soon as 2012.

RELATIONSHIP TO GUIDING PRINCIPLES AND PRIORITIZATION

The IT Strategic Plan serves as the Master Plan for major, citywide automation initiatives over the planning horizon (mid-2009 through 2013). The plan resulted in the identification of five (5) major technology investment goals with individual projects alignment with one of each, and classifies projects into the five goal areas using the city’s business model approach to establish relative priorities.

IT Projects	Fiscally Constrained			Action			Vision		
	Essential	Desirable	Discretionary	Essential	Desirable	Discretionary	Essential	Desirable	Discretionary
1. Service Quality and Accessibility									
1.1 Develop eGovernment strategic plan		X							
1.2 Redesign the City's website				X					
1.3 Complete document management implementation				X					
2. IT Service and Decision Making Alignment									
2.1 Implement citywide IT governance	X								
2.2 Establish IT performance measures	X								
2.3 Create IT CIP fund	X								
2.4 Align IT charges with services	X								
2.5 Conduct financial management/ERP needs assessment					X				
2.6 Develop a document management implementation plan		X							
2.7 Adopt IT portfolio management						X			
2.8 Create a customer account representative position					X				
2.9 Centralize infrastructure and customer services functions	X								
2.10 Implement central IT service model enhancements				X					
3. Efficiency and Effectiveness									
3.1 Implement an integrated finance/HR system				X					
3.2 Implement citywide maintenance management automation				X					
3.3 Implement permit management				X					
4. Innovation									
4.1 Pilot a business intelligence system					X				
4.2 Create a plan for establishing a county/city GIS group		X							
5. Quality, Sustainable IT Infrastructure									
5.1 Migrate and optimize servers	X								
5.2 Complete replacing phone system with VoIP	X								
5.3 Conduct IT security audits/assessments					X				

DEFERRED PROJECTS, CHANGES AND UNFUNDED NEEDS

At this time, all major capital projects included in the IT Strategic Plan are unfunded from the CIP. The needs assessment and other preparatory projects noted above are being funded via operating budgets. Though \$697k has been set aside in the new IT CIP as future capital “seed funding”, the amount is insufficient to execute the major capital initiatives in the plan.

EMERGING NEEDS

The IT Strategic Plan was developed to identify opportunities to both (a) invest in new technologies to improve organizational efficiency and effectiveness, while (b) identifying several key, unfunded system replacement projects that underscore critical exposures given increasing system age, technology obsolescence and high operating costs. The BRC-I report specifically notes the lack of a “software replacement fund” (equivalent to an IT CIP) as a noteworthy deficiency, while BRC-II notes the importance of appropriate investment in automation as a means of improving organizational services while mitigating traditional costs (e.g. associated with manual processes and associated). Our ability to leverage new technologies involving areas such as constituent relationship management (CRM) software to manage customer information and service requests, field computing tools for staff, digitalization of paper records, automation of manual workflows and provision of expanded digital services and mobile applications to our wide-ranging customers is impeded by the lack of capital funding sources to invest in new technologies to leverage operational benefits.

One-Time and Recurring Project Cost Estimates

Cost Summary		One-Time		Recurring	
		Low	High	Low	High
Project ID					
1. Service Quality and Accessibility					
1.1	Develop eGovernment strategic plan	\$ 74,000	\$ 118,000	\$ -	\$ -
1.2	Redesign the City's website	\$ 139,000	\$ 338,000	\$ -	\$ -
1.3	Complete document management implementation	\$ 395,000	\$ 793,000	\$ 10,000	\$ 26,000
	Subtotal	\$ 608,000	\$ 1,249,000	\$ 10,000	\$ 26,000
2. Citywide IT Service and Decision Making Alignment					
2.1	Implement citywide IT governance	\$ 11,000	\$ 46,000	\$ -	\$ -
2.2	Establish IT performance measures	\$ 13,000	\$ 28,000	\$ -	\$ -
2.3	Create IT CIP fund	\$ 17,000	\$ 50,000	\$ -	\$ -
2.4	Align IT charges with services	\$ 22,000	\$ 58,000	\$ -	\$ -
2.5	Conduct financial management/ERP needs assessment	\$ 25,000	\$ 84,000	\$ -	\$ -
2.6	Develop a document management implementation plan	\$ 24,000	\$ 63,000	\$ -	\$ -
2.7	Adopt IT portfolio management	\$ 162,000	\$ 686,000	\$ 10,000	\$ 44,000
2.8	Create customer account representative position	\$ 9,000	\$ 37,000	\$ 80,000	\$ 97,000
2.9	Centralize infrastructure and customer services functions	\$ 24,000	\$ 78,000	\$ -	\$ -
2.10	Implement central IT service model enhancements	\$ 83,000	\$ 172,000	\$ -	\$ -
	Subtotal	\$ 390,000	\$ 1,302,000	\$ 90,000	\$ 141,000
3. Efficiency and Effectiveness					
3.1	Implement an integrated finance/HR system*	\$ 2,278,000	\$ 3,680,000	\$ 96,000	\$ 176,000
3.2	Implement citywide maintenance management automation	\$ 698,000	\$ 1,798,000	\$ 35,000	\$ 92,000
3.3	Implement permit management	\$ 957,000	\$ 2,062,000	\$ 43,000	\$ 130,000
	Subtotal	\$ 3,933,000	\$ 7,540,000	\$ 174,000	\$ 398,000
4. Innovation					
4.1	Pilot a business intelligence system	\$ 95,000	\$ 242,000	\$ 3,000	\$ 19,000
4.2	Create a plan for establishing a county/city GIS group	\$ 65,000	\$ 151,000	\$ -	\$ -
	Subtotal	\$ 160,000	\$ 393,000	\$ 3,000	\$ 19,000
5. Quality, Sustainable IT Infrastructure					
5.1	Migrate and optimize servers**	\$ 38,000	\$ 22,000	\$ -	\$ -
5.2	Complete replacing telephone system with VoIP***	\$ 1,545,000	\$ 2,823,000	\$ 126,000	\$ 201,000
5.3	Conduct IT security audits/assessments	\$ 46,000	\$ 92,000	\$ 12,000	\$ 54,000
	Subtotal	\$ 1,629,000	\$ 2,937,000	\$ 138,000	\$ 255,000
	Total Cost	\$ 6,720,000	\$ 13,421,000	\$ 415,000	\$ 839,000

Note: Costs are rounded to nearest thousand dollars

Average Annualized Project Cost Estimates

Average Annualized Cost Summary						
Project	Year 1	Year 2	Year 3	Year 4	Year 5	
Decision Making Projects						
1.1	Develop eGovernment strategic plan	\$ -	\$ 64,000	\$ 32,000	\$ -	\$ -
1.2	Redesign the City's website	\$ -	\$ 79,000	\$ 160,000	\$ -	\$ -
1.3	Complete document management implementation	\$ 275,000	\$ 175,000	\$ 175,000	\$ 18,000	\$ 18,000
	Annual Subtotal	\$ 275,000	\$ 318,000	\$ 367,000	\$ 18,000	\$ 18,000
Service Delivery Projects						
2.1	Implement citywide IT governance	\$ 14,000	\$ 14,000	\$ -	\$ -	\$ -
2.2	Establish IT performance measures	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -
2.3	Create IT CIP fund	\$ 7,000	\$ 27,000	\$ -	\$ -	\$ -
2.4	Align IT charges with services	\$ 13,000	\$ 27,000	\$ -	\$ -	\$ -
2.5	Conduct financial management/ERP needs assessment	\$ -	\$ 18,000	\$ 37,000	\$ -	\$ -
2.6	Develop a document management implementation plan	\$ 43,000	\$ -	\$ -	\$ -	\$ -
2.7	Adopt IT portfolio management	\$ 73,000	\$ 358,000	\$ 27,000	\$ 27,000	\$ 27,000
2.8	Create customer account representative position	\$ 8,000	\$ 60,000	\$ 89,000	\$ 89,000	\$ 89,000
2.9	Centralize infrastructure and customer services functions	\$ 10,000	\$ 41,000	\$ -	\$ -	\$ -
2.10	Implement central IT service model enhancements	\$ -	\$ 102,000	\$ 26,000	\$ -	\$ -
	Annual Subtotal	\$ 178,000	\$ 657,000	\$ 179,000	\$ 116,000	\$ 116,000
Application Projects						
3.1	Implement an integrated finance/HR system*	\$ -	\$ -	\$ 468,000	\$ 1,576,000	\$ 1,056,000
3.2	Implement citywide maintenance management automation	\$ -	\$ -	\$ -	\$ 194,000	\$ 1,054,000
3.3	Implement permit management	\$ -	\$ -	\$ -	\$ 1,167,000	\$ 429,000
	Annual Subtotal	\$ -	\$ -	\$ 468,000	\$ 2,937,000	\$ 2,539,000
4. Innovation						
4.1	Pilot a business intelligence system	\$ -	\$ -	\$ -	\$ -	\$ 169,000
4.2	Create a plan for establishing a county/city GIS group	\$ 36,000	\$ 73,000	\$ -	\$ -	\$ -
	Annual Subtotal	\$ 36,000	\$ 73,000	\$ -	\$ -	\$ 169,000
Technical Infrastructure Projects						
5.1	Migrate and optimize servers**	\$ 10,000	\$ 20,000	\$ -	\$ -	\$ -
5.2	Complete replacing telephone system with VoIP***	\$ 776,000	\$ 1,426,000	\$ 164,000	\$ 164,000	\$ 164,000
5.3	Conduct IT security audits/assessments	\$ -	\$ 23,000	\$ 12,000	\$ 12,000	\$ 23,000
	Annual Subtotal	\$ 786,000	\$ 1,469,000	\$ 176,000	\$ 176,000	\$ 187,000
	Projected Net New Funding Required	\$ 1,275,000	\$ 2,517,000	\$ 1,190,000	\$ 3,247,000	\$ 3,029,000

Note: Costs are rounded to nearest thousand dollars

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