



5.13

INFORMATION TECHNOLOGY
DEPARTMENT

SALLY W. NAGY
CHIEF INFORMATION OFFICER

CITY OF SACRAMENTO
CALIFORNIA

May 12, 2004

1000 I STREET
SUITE 120
SACRAMENTO, CA
98514-2608

PHONE 916-808-5763
FAX 916-264-5087

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: FY 2004/05 PROPOSED BUDGET – INFORMATION TECHNOLOGY
DEPARTMENT – (B-13)**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report provides information on the FY 2004/05 Proposed Budget for the Information Technology Department and requests an intent motion to approve the base budget, proposed efficiencies/reorganizations, and adding an additional 1.0 FTE for network infrastructure support.

CONTACT PERSONS: Terry Leuchars, Interim Chief Information Officer, 808-1561
Susan Davidson, Program Manager, 808-7527

FOR COUNCIL MEETING OF: May 25, 2004

SUMMARY:

This report provides information on the FY 2004/05 proposed budget for the Information Technology Department. It includes a department description, budget summary, department profiles and department measures to assist in balancing the City's budget.

COMMITTEE/COMMISSION ACTION: N/A

BACKGROUND INFORMATION:

The Information Technology Department is responsible for: providing leadership and vision for integrating City Council, City Manger and departmental goals into a Citywide Information Technology strategy; developing flexible, cost-effective Information Technology systems for the City; providing reliable and secure data center services and support for Citywide Information systems; providing wide and local area network (WAN/LAN) design and support, including network monitoring and security; providing support for Internet and Intranet services as well as desktop

support services for City employees; and providing support for Citywide telecommunications, including a City fiber-optic infrastructure for voice and data. The Information Technology Department consists of four major divisions: Administration; Applications; Computer Operations; and Network Services.

As a part of the Development Services Department's reorganization, three (3) FTE positions from that Department will be transferred to the Information Technology Department and will continue to be funded by the Development Services Fund. With these three positions, the Information Technology Department will provide desktop, local area network (LAN), and database services support for the new Development Services Department. In addition, the Information Technology and Development Services Departments propose that one (1) FTE position be added to the Information Technology Department and be funded by the Development Services Fund in order to provide required support for the Development Services Department's network infrastructure. This proposed addition of this one (1) FTE is not reflected in the proposed Budget due to the printing deadline for the document.

FINANCIAL CONSIDERATIONS:

The FY 2004/05 proposed budget for the Information Technology Department includes 61 full-time equivalent (FTE) positions and a total budget of \$9.502 million, of which \$6.301 million is supported by the General Fund. With the addition of one (1) FTE for network infrastructure support, the Information Technology Department budget will include 62 FTE positions and a total budget of \$9.610 million, supported by \$6.301 from the General Fund. For more information on the department's budget and staffing, please see Attachments A, B and C.

Highlights of the proposed budget for the Information Technology Department include:

Reorganizations/Efficiencies

These actions are intended to decrease the non-technical and non-essential services performed by the Information Technology Department, while increasing the productivity and service levels for the Department. These reorganizations / efficiencies will allow the Department to focus more directly on its core mission of providing quality technology solutions, services and support.

- **Removal of the Municipal Fire Alarm System:** This efficiency will remove 562 "call" boxes, 4,000 cross-arms, and 220 miles of cable. Total annual savings will be \$374,000 (\$292,500 in employee services and \$82,000 in services and supplies) beginning January 2006, after an initial one-time cost of \$563,000 and the elimination of 3.0 FTE.
- **Elimination of network security consulting contracts and the addition of 2.0 FTE** (savings of \$10,000 per year.) This action will not only reduce the cost of network security consulting, it will also provide for more control over network security and will keep the work "in-house," allowing for City staff to become security experts.

- Elimination of internal Telecom Billing System and outsourcing it to a specialized billing firm. Total annual savings of \$37,500 beginning in January 2005 after an initial one-time cost of \$60,000 and the elimination of 1.0 FTE.
- Transfer in of 3.0 FTE positions from the reorganization of the Development Services Department in order to provide more efficient and effective citywide technology support (to be funded by the Development Services Fund – \$259,000) and the addition of 1.0 FTE Senior Systems Engineer position to provide additional required support for the on-going maintenance of Development Services' network infrastructure. (Position to be funded by the Development Services Fund - \$108,000).

Reductions

These reductions include \$160,500 in Employee Services and \$210,000 in Services and Supplies for FY 2004/05. The positions that are being eliminated are currently vacant.

- Elimination of 1.0 FTE in the Geographic Information System (GIS) Team (annual savings of \$93,500) and elimination of 1.0 FTE in the Data Center/Computer Operations Team (annual savings of \$67,000).
- Reduction of \$210,000 in Services and Supplies, in the areas of COBOL application support, Citywide IT Employee Excellence Training, and network consulting.

ENVIRONMENTAL CONSIDERATIONS:

This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

POLICY CONSIDERATIONS:

The key policy issues facing the Information Technology Department for FY 2004/05 due to budget reductions are as follows:

- 1) How will critical FY 2004/05 projects for new IT systems be funded? There are currently several projects that are required to begin in the upcoming fiscal year that have no identified funding source. These include, but are not limited to:
 - a. Replacement of the Citywide Voicemail System;
 - b. Selection and Implementation of Electronic Document Management;
 - c. Replacement of the Financial/Human Resources System; and
 - d. Implementation of the new Fiber Optic Strategic Plan.

The prioritization and resultant limited funding may require that certain critical projects be delayed.

- 2) Delays in the rollout of Citywide IT Strategic Plan initiatives, most notably the City will not be able to proceed with the development of a citywide E-government strategy and the resultant implementation projects, e.g., paying utility bills on line and processing permits on line.

ESBD EFFORTS:

No goods or services are being purchased under this report.

Respectfully submitted,



Terry Leuchars
Interim Chief Information Officer

RECOMMENDATION APPROVED:



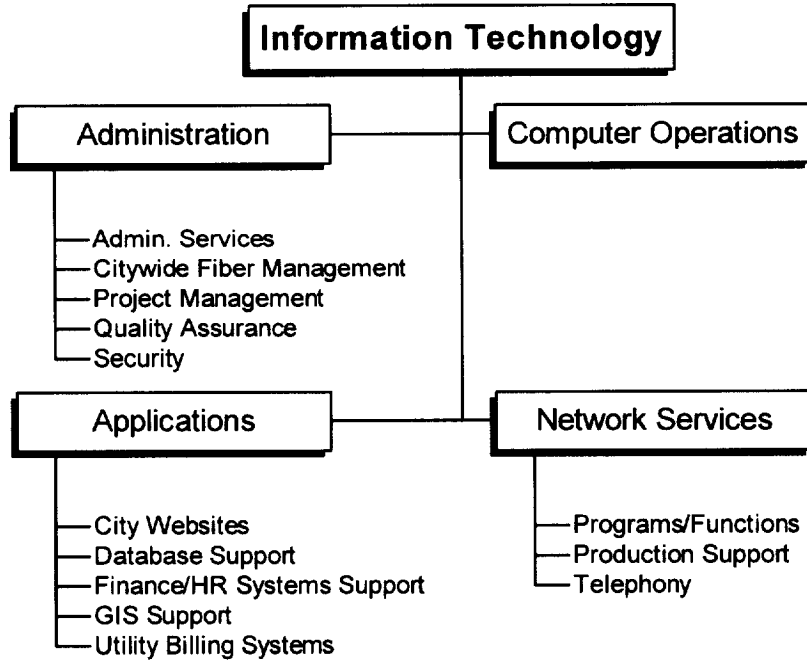
ROBERT P. THOMAS
City Manager

TABLE OF CONTENTS:	Page No.
Attachment A – Department Budget	5
Attachment B – Department Profiles	14
Attachment C – Summary of Staffing Moves	16
Attachment D – Presentation Materials	17

FY2004/05 PROPOSED BUDGET

Section
13

INFORMATION TECHNOLOGY



Org chart effective FY2004/05

INFORMATION TECHNOLOGY

We deliver business value and leadership citywide by providing quality technology solutions, services and support.

FY2004/05 PROPOSED BUDGET

DESCRIPTION

The Information Technology Department is responsible for: providing leadership and vision for integrating City Council, City Manger and departmental goals into a citywide Information Technology strategy; developing flexible, cost-effective Information Technology systems for the City; providing reliable and secure data center services and support for citywide Information systems; providing wide and local area network (WAN/LAN) design and support, including network monitoring and security; providing support for Internet and Intranet services as well as desktop support services; and providing support for citywide telecommunications, including City fiber optic network for voice and data. The Information Technology Department consists of four major divisions: IT Administration; Applications; Computer Operations and Network Services.

MORE INFORMATION

Please contact the following for more information about the Information Technology Department:

- **Key Contacts**

IT Department

Terry Leuchars
Interim Chief Information Officer
1000 I Street, Suite 120
Sacramento, CA 95814
(916) 808-1561
tleuchars@cityofsacramento.org

Applications Division

Sandra Haslin
IT Manager, Applications
1000 I Street, Suite 120
Sacramento, CA 95814
(916) 808-7990
shaslin@cityofsacramento.org

Computer Operations Division

Ric Elkins
Acting IT Manager, Operations
904 11th Street
Sacramento, CA 95814
(916) 808-5838
relkins@cityofsacramento.org

Network Services Division

Karl Rosander
Acting IT Manager, Network Services
904 11th Street
Sacramento, CA 95814
(916) 808-8262
krosander@cityofsacramento.org

Administration Division

Susan Davidson
Program Manager
1000 I Street, Suite 120
Sacramento, CA 95814
(916) 808-7527
sdavidson@cityofsacramento.org

FY2004/05 PROPOSED BUDGET

OBJECTIVES FOR FY2004/05

- Continue to provide City information technology systems and applications that are secure, reliable, and flexible.
- Provide City employees with the highest quality information technology customer service and support.
- Improve City employee effectiveness and efficiency as a result of the City's information technology investments.
- Continue to expand access for internal and external customers to the City services and at their convenience (i.e., beyond City business hours, closer to home, or from home).

ACCOMPLISHMENTS IN FY2003/04

- Sacramento's Organizational Assessment Program (SOAP) – IT managed the citywide SOAP project and developed a website for the project. SOAP helped to create over 1,500 ideas to reduce costs or generate revenue for the City. Many of these ideas are being researched and further developed for implementation and will contribute significant savings toward the City's goal of reducing the FY2005 budget by \$12.5 million.
- Master Address Database – developed and implemented a new GIS system that provides better, more accurate GIS information to public safety officers. This increase in accuracy will result in more timely response by the safety officers to 911 calls.
- Voice over Internet Protocol (VoIP) – successfully deployed an additional 700 VoIP phones at 11 City sites (for a total of over 1,500 to date). This conversion from the traditional analog phones to VoIP phones continues to reduce the City's overall annual telephone costs.
- Call Center for Planning & Building – designed and implemented an automated call distribution program, called the Development and Permit Process Help Line that improves phone support for customers. This call center allows customers to call one incoming line (instead of 6), and is answered within 30 – 60 seconds, and to self-direct their problem to "live person" evaluators who, after problem triage, forward them to specialists for problem solving.
- New Mainframe – acquired a new mainframe computer for the City that has quadrupled the storage capacity, and therefore, provides for the addition of new applications, including e-business (for on-line citizen business). The new mainframe also provides the City with a cost savings for hardware and software maintenance as well as electrical consumption.

PROPOSED BUDGET/STAFFING CHANGES

- **Reorganizations/Efficiencies**
 - Removal of 562 Fire Alarm Call Boxes, 4,000 cross-arms and 220 miles of cable. Total annual savings of \$374,000 beginning January 2006 after an initial one-time cost of \$563,000 and the elimination of 3.0 FTE. (-3.0 FTE, -\$374,000)

FY2004/05 PROPOSED BUDGET

- Eliminate network security consulting contract and add 2.0 FTE. Total annual savings of \$10,000. (+2.0 FTE, -\$10,000,)
- Eliminate internal Telecom Billing System and outsource to a specialized billing firm. Total annual savings of \$37,500 beginning January 2005 after an initial one-time cost of \$60,000 and the elimination of 1.0 FTE. (-1.0 FTE -\$37,500)
- Transfer of 3 positions from the reorganization of the Development Services Department into the Information Technology Department in order to provide more efficient and effective citywide technology support. (+\$259,000 from Fund 258)
- **New Revenues**
 - None
- **Reductions**
 - Eliminate 1.0 FTE in the Geographic Information System (GIS) Team. (-1.0 FTE, -\$93,500)
 - Eliminate COBOL software application support. (-\$30,000)
 - Reduce Citywide IT Employee Excellence Training. (-\$110,000)
 - Eliminate 1.0 FTE in the Data Center/Computer Operator shift. (-1.0 FTE, -\$67,000)
 - Reduce network consulting. (-\$70,000)

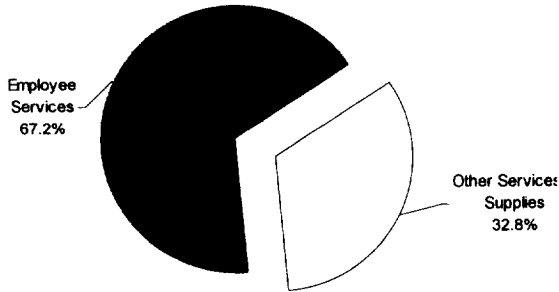
FY2004/05 PROPOSED BUDGET

DEPARTMENT BUDGET SUMMARY

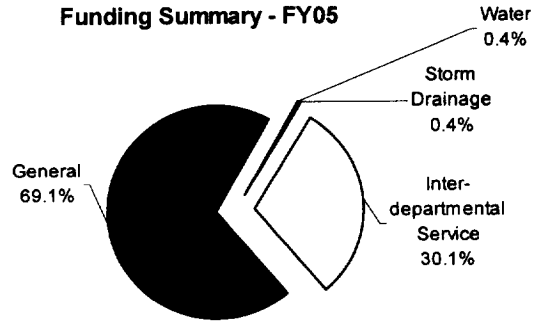
Information Technology Budget Summary	FY	FY		FY	Change
	2002/03	2003/04		2004/05	More/(Less)
	Actual	Approved	Amended	Proposed	Proposed/Amended
Positions (FTE)	62.00	62.00	62.00	61.00	-1.00
Budgeted Expenditures					
Employee Services	4,948,321	5,928,290	5,928,290	6,507,217	578,927
Other Services & Supplies	3,596,293	3,567,043	3,617,224	3,175,366	(441,858)
Debt Service	0	0	0	0	0
Equipment	5,025	0	0	0	0
CIP & Grant Offsets	(2,838)	(180,718)	(180,718)	(180,718)	0
Transfers	(3,008)	0	0	0	0
Total:	8,543,793	9,314,615	9,364,796	9,501,865	137,069
Funding Summary by Fund/Special District					
General	5,744,490	6,686,962	6,737,143	6,301,368	(435,775)
Water	30,071	33,600	33,600	33,600	0
Storm Drainage	32,935	36,800	36,800	36,800	0
Inter-departmental Service	2,624,305	2,435,853	2,435,853	2,749,455	313,602
Development Services	0	0	0	259,242	259,242
Solid Waste	50,120	56,000	56,000	56,000	0
Sewer	30,072	33,600	33,600	33,600	0
Risk Management	31,800	31,800	31,800	31,800	0
Total:	8,543,793	9,314,615	9,364,796	9,501,865	137,069

FY2004/05 PROPOSED BUDGET

Budgeted Expenditures - FY05



Funding Summary - FY05



DIVISION BUDGET SUMMARY

Information Technology Division Budgets	FY	FY		FY	Change
	2002/03 Actual	2003/04 Approved	2003/04 Amended	2004/05 Proposed	More/(Less) Proposed/Amended
1311 - Technology Administration	1,277,507	1,820,713	1,892,713	1,790,426	-102,287
1320 - Applications	2,146,041	2,145,118	2,145,118	2,151,311	6,193
1331 - Computer Services	2,830,775	2,713,076	2,708,451	2,720,214	11,763
1337 - Network Services	2,270,318	2,635,708	2,618,514	2,839,914	221,400
Totals:	8,524,641	9,314,615	9,364,796	9,501,865	137,069

STAFFING LEVELS

Information Technology Division FTEs	FY	FY		FY	Change
	2002/03 Actual	2003/04 Approved	2003/04 Amended	2004/05 Proposed	More/(Less) Proposed/Amended
1311 - Technology Administration	7.00	9.00	9.00	11.00	2.00
1320 - Applications	21.00	21.00	21.00	20.00	-1.00
1331 - Computer Services	16.00	11.00	11.00	10.00	-1.00
1337 - Network Services	18.00	21.00	21.00	20.00	-1.00
Totals:	62.00	62.00	62.00	61.00	-1.00

FY2004/05 PROPOSED BUDGET

WORKLOAD MEASURES

APPLICATIONS

Description		FY2000/01	FY2001/02	FY2002/03
Applications Supported	Number of Citywide Applications Supported	*	*	*
	Number of Departmental Applications Supported	*	*	*

NETWORK SERVICES

Description		FY2000/01	FY2001/02	FY2002/03
Networks	Number of Servers supported	*	*	125
	Number of VoIP phones supported	*	*	500
Help Desk	Number of Calls received	*	*	50,000

ADMINISTRATION

Description		FY2000/01	FY2001/02	FY2002/03
Quality Assurance	Number of Change Control Requests Processed	*	*	*

* Data not tracked this fiscal year

PROPOSED POSITIONS

	<u>FY2003/04</u>	<u>FY2004/05</u>	<u>Change</u>
1311 <u>Technology Administration</u>			
Accounting Clerk II	1.00	1.00	0.00
Administrative Analyst	1.00	1.00	0.00
Administrative Assistant	1.00	1.00	0.00
Chief Information Officer	1.00	1.00	0.00
Information Technology Manager	1.00	1.00	0.00
Information Technology Project Manager	1.00	1.00	0.00
Principal Systems Engineer	0.00	1.00	1.00
Principal Application Developer	0.00	1.00	1.00
Program Manager	1.00	1.00	0.00
Senior Info Technology Project Manager	1.00	1.00	0.00
Senior Systems Engineer	1.00	1.00	0.00
Organization Totals:	9.00	11.00	2.00

FY2004/05 PROPOSED BUDGET

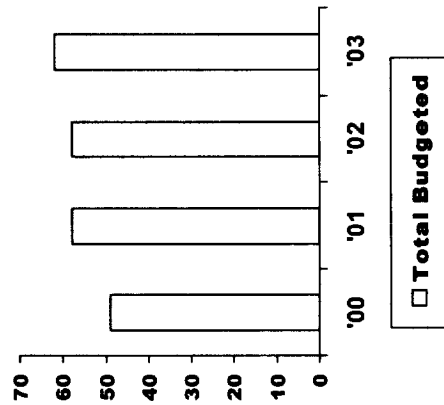
1320 Applications	<u>FY2003/04</u>	<u>FY2004/05</u>	<u>Change</u>
Application Developer	2.00	3.00	1.00
Geo Info Systems Specialist I	1.00	1.00	0.00
Geo Info Systems Specialist III	3.00	2.00	-1.00
Information Technology Manager	1.00	1.00	0.00
Information Technology Supervisor	1.00	1.00	0.00
Information Technology Support Specialist I	1.00	1.00	0.00
Principal Application Developer	3.00	2.00	-1.00
Senior Applications Developer	9.00	8.00	-1.00
Senior Dept Systems Specialist	1.00	1.00	0.00
Organization Totals:	21.00	20.00	-1.00
1331 Computer Services	<u>FY2003/04</u>	<u>FY2004/05</u>	<u>Change</u>
Computer Operator I	2.00	2.00	0.00
Computer Operator II	2.00	1.00	-1.00
Information Technology Manager	1.00	1.00	0.00
Information Technology Supervisor	1.00	1.00	0.00
Senior Computer Operator	2.00	2.00	0.00
Senior Systems Engineer	3.00	3.00	0.00
Organization Totals:	11.00	10.00	-1.00
1337 Network Services	<u>FY2003/04</u>	<u>FY2004/05</u>	<u>Change</u>
Information Technology Manager	1.00	1.00	0.00
Information Technology Supervisor	1.00	1.00	0.00
Information Technology Support Specialist I	0.00	1.00	1.00
Information Technology Support Specialist II	3.00	3.00	0.00
Principal Systems Engineer	3.00	4.00	1.00
Senior Info Technology Sup Sp I	1.00	2.00	1.00
Senior Systems Engineer	1.00	1.00	0.00
Senior Telecommunications Technician	1.00	0.00	-1.00
Systems Engineer	2.00	2.00	0.00
Telecom Systems Analyst II	2.00	1.00	-1.00
Telecom Systems Analyst III	1.00	1.00	0.00
Telecom Technician I	2.00	0.00	-2.00
Telecommunications Engineer I	1.00	1.00	0.00
Telecommunications Engineer II	1.00	1.00	0.00
Telecommunications Engineer III	1.00	1.00	0.00
Organization Totals:	21.00	20.00	-1.00
Information Technology Total:	62.00	61.00	-1.00

Information Technology Department Profile

As of April 2004

Staffing Trends

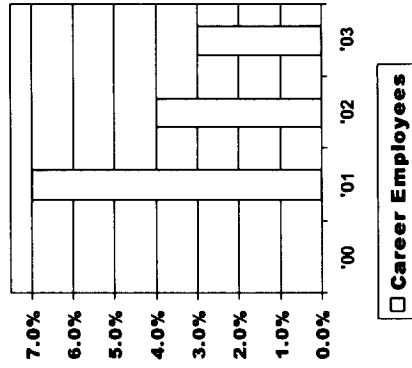
FTE by Fiscal Year



Staffing Detail

Average Years of Service	
Total Career:	8
Management:	9
Non-Management:	7

Staff Turnover Rates



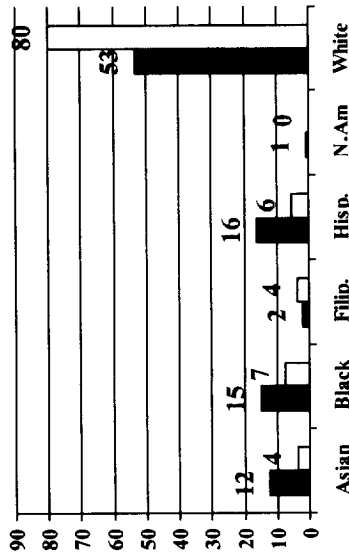
Turnover Rate (Resignations Only)	
Career Employees	3%

Full Time Equivalent Positions	
Total Positions:	62.00
Management:	30.00
Non-Management:	32.00

Information Technology Department Profile

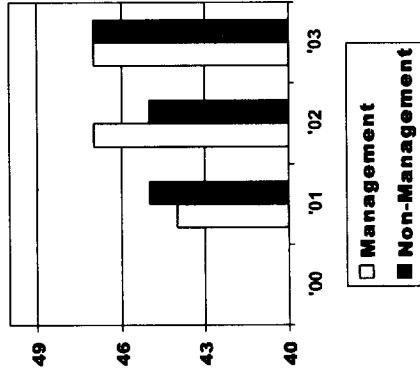
Staff Diversity (Career Only)

Ethnicity %
(Career Only)



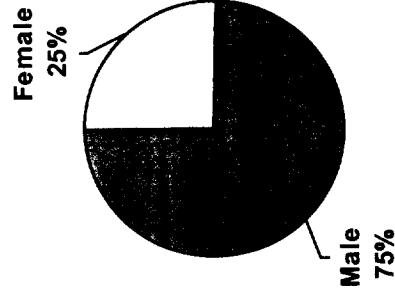
Gender	
Male:	41
Female:	14

Average Age
(Career Only)



Ethnicity

Ethnicity	Council Goal	Dept Current
Asian	2	2
Black	4	4
Filipino	2	2
Hispanic	3	3
Native American	0	0
White	44	44



Average Age	
Total Career:	47
Management:	47
Non-Management:	47

Summary of Staffing Moves

The Information Technology Department will consist of 62.0 FTE in FY 2004/05, including the following reductions and additions:

Reductions (6.0 FTE):

- Removal of Municipal Fire Alarm System – reduction of 3.0 FTE
- Telecom Billing Outsourcing – reduction of 1.0 FTE
- Geographic Information System Team – reduction of 1.0 FTE
- Computer Operations Team – reduction of 1.0 FTE

Additions (6.0 FTE):

- Network Security – addition of 2.0 new FTE to be funded by the reduction of Network Security consulting
- Desktop support – transfer in of 2.0 FTE from Development Services that will continue to be funded by Development Services
- Database Support – transfer in of 1.0 FTE from Development Services that will continue to be funded by Development Services
- Network Support – addition of 1.0 FTE to be funded by Development Services

City of Sacramento

FY 2004/05 Proposed Budget

Information Technology Department

*“We deliver business value and leadership
citywide by providing quality technology
solutions, services and support.”*

Overview

The IT Department is responsible for:

- **Reliable & secure mainframe services;**
 - **Network design, monitoring and security;**
 - **Internet and intranet services;**
 - **Applications development and support;**
 - **Desktop support services; and**
 - **Citywide telecommunications, including the fiber optic infrastructure for voice & data.**
-

Workload Measures

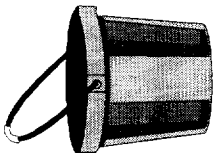
The Workload Measures that will be tracked in FY 2004/05 by the IT Department include:

- No. of citywide & departmental applications supported
 - No. of servers supported
 - No. of VoIP phones supported
 - No. of Help Desk calls received
 - No. of Change Control requests received
-

Staffing Detail (as of April 2004)

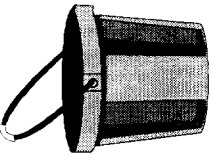
Full Time Equivalent Positions:	Average Age:
Total Positions: 62.00	Total Career: 47
Management: 30.00	Management: 47
Non-Management: 32.00	Non-Management: 47

Turnover Rate:	Average Years of Service:
(Resignations Only)	Total Career: 8
Career employees: 3.0%	Management: 9
	Non-Management: 7



Reorganizations/Efficiencies

- Removal of the Municipal Fire Alarm System, saving \$374,000 annually after Jan. 2006
- Eliminate network security consulting and bring work “in-house,” saving \$10,000 annually
- Outsource Telecom Billing, saving \$37,500 annually after Jan. 2005
- Transfer 3 FTE from Development Services and add 1 FTE funded by Development Services to provide more efficient and effective IT support.



Reductions

- Eliminate 1 FTE from GIS Team, saving \$93,500
- Eliminate 1 FTE from Data Center Team, saving \$67,000
- Eliminate COBOL software support, saving \$30,000
- Reduce Citywide IT Employee Excellence Training, saving \$110,000
- Reduce Network consulting, saving \$70,000

Policy Issues

- How will critical, new IT systems be funded?
 - Replacement of Citywide Voicemail System
 - Electronic Document Management
 - Replacement of Financial/Human Resources System
 - Implementation of Fiber Optic Strategic Plan

 - Delays in rollout of Citywide IT Strategies
 - Most notably Citywide E-government
-