SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2003-04

DATE:	May 27, 2003
SUBJECT:	**INFORMATION MANAGEMENT SERVICES**
STAFF REPORT BY:	Sylvia Jones
CC:	Rocky Fluhart, David Nimkin, Ken Cowley, Mike Freeland, Steve Fawcett, Laurie Dillon, DJ Baxter

Information Management Services provides citywide computer and network support, maintenance, software development, and telephone services and repair. The Division also oversees the Copy Center Fund, which is a separate internal service fund. The Copy Center provides the City with document duplication and mail courier services. The Copy Center budget was provided in the Budget Overview paperwork.

The budget for the Information Management Services Fund for fiscal year 2003-2004 is proposed to increase by $268,293 or 3.6% over fiscal year 2002-2003.

INFORMATION MANAGEMENT SERVICES FUND PROPOSED BUDGET				
	Adopted 2002-2003	**Proposed 2003-2004**	**Difference**	**Percent Change**
Revenue & other sources				
Network/infrastructure fees from departments/funds	$1,806,979	**$1,919,872**	$112,893	6.2%
Telephone fees from departments/funds	727,386	**734,140**	6,754	0.9%
Interest	36,367	**91,681**	55,314	152.1%
Miscellaneous revenue	55,186	**2,062**	(53,124)	(96.3%)
Transfer from General Fund	4,886,786	**5,033,242**	146,456	3.0%
Total revenue	$7,512,704	**$7,780,997**	$268,293	3.6%
Expenses & other uses				
Network/infrastructure	$4,402,635	**$4,536,563**	$133,928	3.0%
Software engineering	1,202,744	**1,196,725**	(6,019)	(0.5%)
Web services	462,902	**427,021**	(35,881)	(7.8%)
Telephone services	929,461	**927,879**	(1,582)	(0.2%)
Administration	514,962	**692,809**	177,847	34.5%
Total expenses	$7,512,704	**$7,780,997**	$268,293	3.6%

POTENTIAL MATTERS AT ISSUE

Matters at issue reflected in the proposed budget include:

- <u>Addition of 2 FTE's</u> – Information Management Services (IMS) is proposing a budget increase in the amount of $75,936 for the addition of one network technician, and an increase of $75,936 for one software engineer. The Council staff's understanding is that the industry standard is one network

administrator for a maximum of 100 computers (1:100). The City's current ratio is one technician for every one hundred seventeen computers (1:117). The ratio will increase to 1:124 during FY 2003-2004 based upon the anticipated growth of computers citywide. This will result in each technician maintaining and supporting an additional 7 computers (or 6% increase in workload during the year for each technician). If IMS receives approval for the additional technician, the City's ratio will be reduced to 1:118.

The additional software engineer will assist with the City's efforts to provide new online services and maintain the current systems for residents, including paying parking tickets and utility bills, renewing business licenses, accessing Council agendas and minutes, viewing ordinances, and obtaining general information about the City.

- Increase in Capital Expenditures – The proposed budget for IMS includes a $50,000 increase in capital expenditures for scheduled infrastructure replacement (switches and routers) located in the City/County Building as part of the building re-wiring. These units are at the end of their scheduled life-expectancy. The IMS infrastructure budget reflects swings in spending due to the projected infrastructure plan.

- Increase in Interest Income – In prior years, the projected interest income for IMS was substantially underestimated. The increase in the budgeted interest for revenue in FY 2003-2004 will more accurately reflect that interest based upon the last ten month's interest earnings.

- Miscellaneous Revenue – This revenue consists primarily of the sale of used equipment. Actual proceeds have been much less than the budgeted revenue. This figure will more accurately reflect true anticipated revenue.

- Administrative Services – This function/cost center is proposed to increase primarily because of the transfer of costs between functions.

- Televised City Council Meetings – IMS has been televising some of the City Council meetings, per the Council's request. The Council may wish to discuss whether it would like to maintain the current level of televised meetings, or enhance that ability. If Council Members desire to have more meetings televised, they may wish to appropriate additional resources for this service within the IMS budget.

FIVE-YEAR BUSINESS PLAN

Information Management Services prepared a five-year business plan in fiscal year 2000-01 to help guide the budgeting process and provide a means for management to better evaluate overall department performance. The Administration has updated the plan to include measures and targets through FY 2004-2009.

Council Staff has asked the Administration to provide the Council with a summary of goals/objectives, and the results/steps taken for FY 2002-2003. In order to assist the council in evaluating progress, the goals and steps taken by the Department during FY 2002-2003 are summarized below:

1. Goal/Objective: Create one additional online service for the City's web every six months beginning with September 2001 until all online services identified by a customer-oriented focus group are complete.

   Results/steps taken:
   IMS has met and exceeded the goal. The following chart shows the progress:

Date Period	Cumulative Target	Completed	Cumulative Completed
Prior to Sept 01	N/A	7	7
Sept 01-Mar 02	1	3	10
Mar 02-Sept 02	2	4	14
Sept 02 – Mar 03	3	5	19

2. Goal/Objective: Additional personnel will be needed in two years to keep up with the demand for website-related services. Also, hardware and software costs will continue to escalate.

   Results/steps taken:
   Web service requests continue to increase. The growth of wireless services is fueling a higher demand for web applications that are available to City employees who are serving the public in the field. Wireless access for inspectors, permits and other services will continue to increase the demand. IMS is keeping ahead of the goal but the goal is well short of the demand.

3. Goal/Objective: Provide a high-speed, state-of-the-art network by the end of fiscal year 2006 to increase network accessibility and performance.

<u>Results/steps taken</u>:
The Department's ability to provide a secure, fast and reliable network is progressing on schedule. Wireless requests have placed an added demand to the projections but adjustments have been made and costs for some of the infrastructure have dropped. This allows us to continue forward within the budget projections.
* Internet access lines were added to better manage the increased load and provide added redundancy.
*The infrastructure replacement schedule is on target; new servers and other infrastructure were added where needed.
*The Department met its goal for rewiring the City and County building. The project is 50% complete.
*The Department is ahead of schedule in wiring replacement at the Public Safety Building.
*Plaza 349 has been rewired to meet these standards during remodeling for the addition of DOT, Prosecutors and Engineering to the building.

4. <u>Goal/Objective</u>: Replace infrastructure according to a plan schedule.

   <u>Results/steps taken</u>:
   Each year IMS creates a schedule for replacement and new infrastructure planned during that year. Progress is monitored monthly. The scheduled plan is on target for FY 2002-2003.

LEGISLATIVE INTENT STATEMENTS

No legislative intent statements are outstanding for the Information Management Services Fund.

During the briefing on the proposed budget, the Council may wish to identify legislative intents relating to the Information Management Services Fund.

During the briefing, the Council may wish to identify potential programs or functions to be added to the Council's list for future audits.