

# **SALT LAKE CITY COUNCIL STAFF REPORT**

## **BUDGET ANALYSIS – FISCAL YEAR 2009-10**

**DATE:** June 2, 2009

**BUDGET FOR:** **INFORMATION MANAGEMENT SERVICES**

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### ***INFORMATION MANAGEMENT SERVICES BUDGET***

Information Management Services (IMS) provides citywide computer and network support, maintenance, software development, and telephone services and repair. Internal service funds such as Information Management Services are used to account for the financing of services provided by one department or agency to other departments or agencies of the City. Cities use internal service funds in order to account for the full cost of providing the services similar to private businesses. This type of accounting helps governments know whether the services are competitive with private businesses with regard to their fees. Internal service funds reimburse the General Fund for overhead costs and track the full cost of their operations.

Revenue for the Information Management Services Fund for fiscal year 2009-10 is proposed to increase by \$187,925 or 2.2% over fiscal year 2008-09. Expenses are proposed to decrease by \$162,075 or 1.8%

<b>INFORMATION MANAGEMENT SERVICES FUND PROPOSED BUDGET</b>				
	<b>Adopted 2008-09</b>	<b>Proposed 2009-10</b>	<b>Difference</b>	<b>Percent Change</b>
<b>Revenue &amp; other sources</b>				
Fees from departments/funds	\$2,915,906	\$3,182,897	266,991	9.2%
Interest	24,000	- 0 -	(24,000)	
Miscellaneous revenue & sale of Equipment	32,078	28,000	(4,078)	(12.7%)
Transfer from General Fund	\$5,600,136	5,549,148	(50,988)	(0.9%)
<b>Total revenue</b>	<b>\$8,572,120</b>	<b>\$8,760,045</b>	<b>187,925</b>	<b>2.2</b>
<b>Expenses &amp; other uses</b>				
Network/infrastructure	4,498,867	3,982,616	(\$516,251)	(11.5%)
Software engineering	1,501,585	1,289,862	(211,723)	(14.1%)
Web services	288,511	364,629	76,118	26.4%
Consulting team (coordinate with customers)	1,344,435	1,461,382	116,947	8.7%
IFAS (accounting system)	229,566	314,597	85,031	37.0%
SLCTV – video processing	126,352	183,956	57,604	45.6%
Administration	550,795	723,503	172,708	31.4
Computer lease program	382,009	315,000	(67,009)	(17.5%)
Accela	- 0 -	124,500	124,500	
<b>Total expenses</b>	<b>\$8,922,120</b>	<b>\$8,760,045</b>	<b>(162,075)</b>	<b>(1.8%)</b>

## POTENTIAL MATTERS AT ISSUE AND MAJOR BUDGET ISSUES

Some of the major changes reflected in the proposed budgets include:

- Accela Maintenance Costs - \$50,000

The Administration indicates that the actual cost to update and maintain the Accela program exceeded the amount budgeted last year. Last year's budget estimate was based on preliminary information regarding the number of Accela users. According to the Administration, the system's success has created a need for additional licenses and support fees. The Administration anticipates the cost for fiscal year 2010 will be an additional \$50,000 for a total of \$124,500. Building Services has negotiated an agreement with Accela that is expected to stabilize costs though there may be small increases in the future.

- IVR System

The Administration has indicated there have been some significant challenges for customers trying to schedule inspections by phone using the Interactive Voice Recognition System (IVR). The IVR system relates to the Justice Court as well. As recently as Thursday, the Council Office had received comments that it was difficult to get through to the Justice Court and to the inspection scheduling program for ground transportation. The problems are not attributable to Accela. *The Council may wish to ask whether there are any lingering issues. Because the IVR system is so critical to the City's functioning, the Council may wish to strictly examine whether a financial investment to bring this program more current is in the City's long-term interest.*

- Outsourcing Computer Software Training - \$30,000

The Mayor's budget requests \$30,000 to outsource computer software training for city employees in the use of Word, Excel, PowerPoint, Outlook and other software applications. The Division indicates outsourcing this function is a more cost-effective approach than providing training in-house. Existing contracts are in place with CDI, Apple 1, and others, enabling IMS to bring a qualified person on board as a contract employee relatively quickly, eliminating the need for the RFP process. The training will take place during five to ten half-day classes taught every other week.

The Administration indicates that 130 training classes were taught by IMS, with 271 attendees or an average of 2 people per class. As the computer literacy of City staff has increased, the need for a full time training person has declined. Recently, the person filling the Training Coordinator position was reclassified to a Web Producer position filling a vacancy. There is still a need for training classes tailored to the City's specific needs, and desires. IMS proposes to meet that need with a contract employee. Training classes will continue to be held in the IMS Training Facility and City staff will still enroll for training in the same way but the frequency of classes will be reduced. The requested monies will fund the trainer's fees. IMS anticipates beginning the outsourced training on July 1, 2009.

- Redesign of the City's Webpage - \$75,000

According to the Administration, the City's webpage needs to be redesigned. The specific areas needing improvement include the search capabilities, consistency in the look and feel of the website, and navigation of the website. IMS indicates that during the Transparency Initiative, the Administration and Council identified [slcgov.com](http://slcgov.com) as one of the areas where the City's transparency could be improved. The design of the website home page and the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup>-level pages will be

performed in-house. IMS is currently working with departmental webmasters to make changes to the templates. A formal plan will be developed but the funding for hardware and software is needed now to allow progress to be made. The anticipated outcomes include faster and more predictable searches; increased transparency of certain information; a more effective branding and promotion (via assistance from a consultant) of the City's website. The estimated completion timeframe is between six and twelve months.

- Expanding Implementation of PDF format - \$66,000

The Administration indicates that the City needs to standardize document format to allow documents to be shared between departments, divisions and with the public. According to IMS, the free versions of PDF writers have been used in the past, but managing the PDF files can be problematic. Combining multiple PDFs from multiple sources into a single document requires a full version of Adobe Acrobat software. Half of the City's 1200 computers can create PDFs using the free PDF writers. The other half needs the additional functionality provided by the Adobe Acrobat standard version, allowing them to manage multiple files efficiently.

Currently, there is a lack of access to the software as well as a lack of consistency in the versions being used, according to the Administration. The funds would purchase the most current version of Adobe Acrobat for all existing users and those that manage these files. Those who don't need the full version won't receive it, and are not counted in the total.

According to the Administration, the cost is \$110 per computer. Where computers are shared, such as at the Justice Court, Police, and Fire, only one license will be installed but all users of the system will have access to the software. Some software companies offer an upgrade version for a lesser amount. Adobe does not. The licenses will be provided on an as needed basis. Enterprise and Internal Service funds will be responsible for their expenses incurred.

With relation to Council packets and their creation, Council staff indicates that the use of Adobe Standard (PDF) is essential. However, the key is converting the material into PDF. Once the material is converted the process requires Council staff to provide the full transmittal to the Mayor, Council, and eventually to the Internet. Combining these files can be intricate given the type of material and original location of information provided.

The Administration's transmittals come from various sources. It is Council staff's understanding that transmittals are prepared and then scanned. Generally the copier scans the material as a picture which increases the file size dramatically. Given this increase in file size, the Internet Server is "hit" with so much material it can crash. An option to avoid the size problem would be to convert the documents while pursuing the "application path" into PDF to build each transmittal.

The transmittal process is being evaluated and the Administration is considering document/records management system options, including *OpenText* and *Hummingbird*, which would standardize documents in PDF, provide efficiencies, and avoid the Internet server issue. *The Council may wish to consider this request after the Administration has had sufficient time to research and provide a recommendation with regards to the document/records management system options.*

- Closed Captioning for SLCTV

During one of the Council's Communications Subcommittee meetings, IMS provided closed captioning options. There appear to be two methods of receiving closed captioning services. First, *Live Captioning*, the option IMS recommends, offers the highest degree of accuracy and is the most widely accepted approach for captioning live proceedings. The disadvantages include cost, the need for complex infrastructure and the lag time which may be as much as 4-5 seconds behind the actual dialogue. The total costs for this live caption option is approximately \$46,000. In addition, there would be \$11,000 of post production costs and hardware costs.

The second option is the use of voice recognition hardware and software. There are very few companies offering this product. The advantages of this product include the technology, which is housed internally, plus a lower cost. The disadvantages include an accuracy range of 50-70% (ie: the software is not able to discern between eight and ate, or read from red). The cost for this option is \$20,400, plus approximately \$11,000 of post production costs and hardware costs.

Spanish conversion: At a minimum, this option would double the cost of captioning since it would require an additional person that can translate and caption the feed. (One person for English, one for Spanish.)

- SLCTV Video Processing

The increase in funding for this category is a result of the increased utilization of SLCTV over the past 18 months. SLCTV now broadcasts all Council meetings, planning commission meetings, and numerous special events. In 2007 SLCTV, produced approximately 115 projects, in 2008 there were 140 projects, and so far in 2009, there have been 75 major projects completed, with a projection of 160 projects total for 2009. The staff is shooting, editing, and broadcasting an average of three productions each week.

Some equipment is aging and is in need of replacement and there is an increase in the number of supplies such as tapes for cameras, and dvds. If approved, the \$30,000 will be used to fund 2 contract employees to help with camera work and post production work. These contract employees will work about 20 hours per week. The remaining funds will be used to upgrade cameras and other video equipment.

- Interest Income

In prior years, the City has allocated interest to internal service funds rather than recording all interest earnings in the General Fund. This year, the Mayor's Recommended Budget proposal changes that practice and all interest earnings that in the past would have been allocated to internal service funds is kept within the General Fund.

- Web Services Increase

The majority of the increase in the Web Services budget is attributed to the webpage redesign. There is also a need to upgrade streaming media services to include live podcasting of Council and other public meetings.

- Increase to Administration Budget

The increase in this area is comprised of \$40,000 in Risk Management fees, \$20,000

in Administrative Service fees, and \$18,000 in workers compensation – medical. In the past IMS has not budgeted this as a separate line item. IMS also anticipates a \$5,000 increase in computer/office supplies, as well as \$27,000 from a continued realignment of Division expenses for cost control (offset by a decrease in other cost centers in the Division). Additionally, corrections have been made to salary distributions to more accurately account for where the money is being spent. This, too, is offset by reductions in other cost centers within the Division.

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*Additional Information*

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**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.*