

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2010-11

DATE: June 1, 2010
BUDGET FOR: DEPARTMENT OF INFORMATION MANAGEMENT SERVICES
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DEPARTMENT OF INFORMATION MANAGEMENT SERVICES (IMS)

The Department of 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. Internal service funds reimburse the General Fund for overhead costs and track the full cost of their operations.

Revenue for the Department of Information Management Services for fiscal year 2010-11 is proposed to decrease by \$563,711 or 6.4% as compared to fiscal year 2009-10. Expenses are proposed to decrease by \$133,711 or 1.5%. Budgeted revenues are less than expenditures by \$430,000. A large portion of this difference is due to a one-time transfer of \$400,000 from the IFAS fund to the general fund. IMS has a total of 59.0 FTEs.

DEPARTMENT OF INFORMATION MANAGEMENT SERVICES PROPOSED BUDGET				
	Adopted 2009-10	Proposed 2010-11	Difference	Percent Change
Revenue & other sources				
Fees from departments/funds	\$3,182,897	\$2,810,458	(\$372,439)	(11.7%)
Miscellaneous revenue & sale of Equipment	28,000	15,000	(13,000)	(46.4%)
Transfer from General Fund	5,549,148	5,370,876	(178,272)	(3.2%)
Total revenue	\$8,760,045	\$8,196,334	(\$563,711)	(6.4%)
Expenses & other uses				
Network/infrastructure	\$3,982,616	\$3,492,131	(\$490,485)	(12.3%)
Software engineering	1,289,862	1,282,394	(7,468)	(0.6%)
Web services	364,629	282,896	(81,733)	(22.4)
Consulting team (coordinate with customers)	1,461,382	1,557,175	95,793	6.6%
IFAS (accounting system)	314,597	814,433	499,836	159%
SLCTV – video processing	183,956	189,791	5,835	3.2%
Administration	723,503	739,432	15,929	2.2%
Computer lease program	315,000	143,582	(171,418)	(54.4%)
Accela	124,500	124,500	-	
Total expenses	\$8,760,045	\$8,626,334	(\$133,711)	(1.5%)

POTENTIAL MATTERS AT ISSUE AND BUDGET ISSUES

1. Accela Implementation Status

The Administration indicates that IMS is currently working on implementing Accela for fire permits and Public Utilities. As compared to other jurisdictions, the Administration indicates that Salt Lake City is more advanced, especially with the integration of Projectdox.

2. Integrated GIS Implementation Status

The Administration indicates that in terms of an integrated GIS implementation, the City is behind other jurisdictions as a whole. The Administration indicates there has been some discussion with regards to moving towards a consolidated model. *The Council may wish to ask if additional resources will be necessary to rebuild the GIS program in a centralized way.*

3. SLCTV Video Processing

IMS has coordinated 255 individual productions to date in FY 2010, including Council meetings, commission meetings and many other productions and events. The staff is shooting, editing and broadcasting an average of 3-5 productions each week. In 2007 SLCTV produced approximately 115 projects. In 2008 there were 140 projects, and in 2009, 187 major projects were completed. IMS contract employees are completing video work after hours and on weekends. *The Council may wish to ask if there is sufficient funding available to meet the City's demands.*

4. (\$178,272) Decrease in IMS Transfer from General Fund

As mentioned previously, the Department maintains computer infrastructure citywide. The General Fund portion of major systems is funded by a direct transfer from the General Fund. A \$5,370,876 transfer is proposed for FY 2011, which is a 3.2% decrease compared to FY 2010. (The proposed reduction is based on last year's IMS transfer from the General Fund plus or minus any budget adjustments that have occurred during FY 2010, plus proposed changes to the IMS budget for FY 2011.) City departments are charged for computer maintenance (set fee per computer) for discretionary computer support services not covered by the maintenance agreement, and for telephone services. *The Council may wish to consider the implications of reducing the transfer to this fund at a time when reliance on technology resources is increasing.*

5. Operating Budget Reduction

The Administration proposes to reduce the operating budget by \$120,000. This reduction will necessitate extending computer server life from three years to four years. The replacement schedule for routers and switchers will also be extended, which translates into additional savings of \$145,000 for the capital and non-capital equipment budgets. IMS indicates there is an increase in potential risk for service outages as infrastructure ages; however, the Department will continue to monitor the devices and mitigate the associated risks.

6. One-time transfer of \$400,000 to General Fund from IFAS account (the City's financial accounting system)

The Administration recommends a one-time transfer of \$400,000 from the IFAS fund

to the general fund. This transfer clears the accumulation of excess general fund monies that have built up in the IFAS fund over the last several years. *The Council may wish to note that the City's IFAS system is not state of the art for an organization of this size. Significant resources would need to be invested to address this.*

Additional Information

LEGISLATIVE INTENT STATEMENTS

Sponsorship Opportunities for Closed Captioning:

It is the intent of the Council that the Administration research potential sponsorship opportunities for closed captioning of City meetings.

Administration's Response:

The Administration has sought to find a vendor/ad agency that could assist in identifying a sponsor, but that effort has not yet been successful. At this point, closed captioning can be added in post production, but not live, and it is live production that is the costly process. Funds for this effort are not included in the FY 2010-11 Mayor's Recommended Budget.

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.