



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration

Date: October 21, 2010

Subject: 2011-2012 Budget Study Session

The November 1 study session will be a continuation of the budget deliberations from the October 28 study session. A supplemental memorandum regarding the Information Technology Budget reductions and services packages is attached. Any follow-up materials requested by the City Council at the October 28 Study Session will be distributed at the meeting.



CITY OF KIRKLAND

Information Technology Department

123 Fifth Avenue, Kirkland, WA 98033 425.587.3050

www.ci.kirkland.wa.us

MEMORANDUM

To: City Council
From: Brenda Cooper, CIO
Date: October 13th, 2010
Subject: IT Budget Context

Background

This budget continues IT staffing and service at the current levels. It does not increase any staff hours except for a .25 GIS FTE which is directly tied to incoming work to get the new GIS layers related to annexation completed. The budget does take advantage of fresh ideas about how to do our business better and it does cut critical items like travel and training even further.

High level summary of 5% cuts:

Area cut	Amount cut	Notes
Office and Operating Supplies, spares, printing	6,690	Training materials and cables, spare phone sets, etc.
Reducing cost of replacement PC's, changing types of PC's, reducing specifications	94,812	We also applied these changes to the 2010 order, thus saving money this year
Professional Services	45,600	Consulting money to help with tasks we either don't have time or skills to do ourselves. This is essentially insurance money and cutting it increases risk.
Travel and training	7,350	Further reductions in all divisions
Repairs and Maintenance	209,698	Reducing product support, cutting a large shared copier, cutting financial system disaster recovery payments, changing the type of computer the financial system runs on. Some of these are simply good ideas that became available through changing technology, others increase risk.

IT Budget Structure

IT is not part of the general fund, but is instead an internal services fund. The IT department charges rates to customers who have some collective say through the IT Steering Team in the service level that they receive for those rates. Money that the department saves at the end of the year remains in the IT fund and can be used to offset future rates, to fund service packages, and to meet one-time needs. How the money is spent is subject to approval of the IT Steering Committee, the City Manager, and to Council approval as part of the budget.

Cuts in IT do help reduce the general fund budget, although not on a dollar-for-dollar basis given that IT rates are charges to all city functions including Utilities. IT expenditures support city functions; with the exception of the downtown wireless, IT is not a direct service provider but rather helps leverage the work of city staff.

Historically, most IT service packages have been funded from cash left over from the previous year. In the last biennium, IT has reduced rates and offset unavoidable cost increases through using IT cash to fund the replacement cost of desktop PC's.

Ongoing IT Budget Cuts

Information Technology Staff reviewed all of the systems that the department supports and were unable to find any systems where removing the automation and reverting to working by hand wouldn't add work to the customer departments, and some work actually can't be done without modern systems (for example payroll information needs to be sent to banks and to the state electronically).

Staffing is already very tight as we work to get ahead of annexation needs with no new annexation resources. This is particularly true in GIS and in the applications systems areas as we are implementing upgraded and new systems to handle permits, garbage billing, and other activities that have firm due dates. The Help Desk is operating at its usual level of around 80 open calls, but they will be doing the entire replacement PC rollout for 2010 and 2011 without additional resources (The department typically hires temporary help for this project for six months every two years). This will stretch Help Desk resources.

IT Staff are all non-exempt, so any overtime worked results in time and half paid out, and thus increases the cost of resources.

There are a number of complex issues facing IT today including the storage crisis, the shift to cloud computing, the increasingly mobile world, etc. There is a need to retain capacity on IT management and in the three technical divisions to track and analyze these trends which have significant threats and opportunities inherent in them.

Because losing staff would add unacceptable amounts of risk to IT projects that are already strained, department management challenged staff to find other cuts. They responded, with roughly twenty ideas which included ways to spend less on each computer, replacing a minicomputer with much less expensive windows server(s), going without one copier in the shared copy room, and a host of other ideas that collectively added up to the department's 5% cut. In addition, some of the ideas couldn't be fully explored in a short period of time, and so there is a punch list of other projects which may result in additional savings as soon as the department can devote the staff time to exploring them.

IT Service Packages

There are three non-annexation service packages that relate to IT staffing. None of them results in new staff and all of them are funded by IT cash primarily derived from savings across 2009/10.

Web Production Assistant (0.75 FTE):

The work that the Web Production Assistant does for the city is significant and meaningful, and *has been an ongoing level of service for almost 5 years* (the city has been funding this with cash since 2006). This position helps with both internal and external communication, and in a time of stress such as the current combination of budget cuts and annexation, that communication is critical to the overall health of the city.

As the city has cut printing and other communication-related budgets, the work that the web staff does has increased.

Consequences if this position is cut include longer times to get web content posted, less backup for times when the Webmaster is unavailable in training or on vacation, no staff time for projects such as the pending re-design of the web page or the addition of mobility to the web (iphone and ipad apps, social media), reduced support for the Council Packet projects, no future "bandwidth" to take on making other packets electronic, and reduced training and support to help departments keep information up to date on the web.

This is not the position that IT would cut first. Instead, the department would look to the multimedia services division. This is not a recommendation: MMS has already been cut and we would have to lose a service entirely. If the City loses the creation of in-house graphics for city publications, that would probably move the costs and not save the city money. Video services already receives far more requests than they can fulfill and the community benefits from being able to watch live and archived meetings and from our local programming.

GIS Analyst (0.25 FTE)

The GIS Analyst was cut in the last round from a 1.0 to a 0.75 FTE. The position is funded to begin working at 1.0 when Annexation happens in June of 2010. This service package allows the department to work the position at 1.0 to help handle the significant amount of GIS data that is now streaming into the department and which needs quality control so that it can be available for production when we go live.

Help Desk (0.25 FTE)

The Help Desk Technician position was cut 0.25 in ongoing funds, but we have continued to fund it with cash via service packages because the workload in this group is high, particularly with all of our temporary staffing capabilities cut. This request continues that arrangement until annexation funds are available in June 2011.

Annexation Positions

IT originally requested 8.5 annexation positions in 2005, revised the request down to 6.25 positions for this budget, and had 3.75 positions recommended as follows:

GIS Analyst (0.25 FTE – June 2011)

This position is the same .25 FTE funded from cash for the first six months of the year via the service package process. The additional hours are needed to prepare the GIS system to represent the new city boundaries that take affect with the annexation and to keep the new data up to date.

Help Desk Technician (0.25 FTE – June 2011)

This position is the same .25 FTE funded from cash for the first six months of the year via the service package process. This has been funded from cash since the original budget reduction in order to accomplish the work in this team. At this time, the position will help backfill the help desk as another staff member is managing all of the computer replacements and to help onboard other new staff coming in with annexation.

Web Assistant (0.25 FTE – June 2011)

This addition to the web assistant position that the city has been funding at .75 FTE via cash will help to handle the increased volume of web-based communication anticipated as information is provided to new Kirkland citizens. Note that this is the technical work surrounding helping staff post content; content is created in the departments.

Help Desk Lead (1.0 FTE – June 2011)

The new staffing for annexation is expected to generate more help desk requests. In addition the facilities needs and other strategic issues around IT such as storage, security, cloud computing, and mobility needs attention from the network and operations manager and this will help make that time available.

Applications Manager (1.0 FTE – June 2011)

The technology staff that support basic applications (such as payroll, recreation sign-ups, maintenance management, utility billing, and our internet applications) have all reported directly to the CIO since the department was created in 2000. As this group has grown, they have continued to be direct reports, so that the span of control for the CIO is now too great to give adequate attention to the detailed prioritization and project management needs for this group. Additionally, there are skills needed to help manage the increasingly complex inter-relationship of systems and integration between systems which do not exist in the current IT staff or management. The working manager is intended to add general capacity to the group, help fill the skill gaps, provide better strategic oversight of city systems and of the costs of those systems, and to free up the CIO to spend more time on strategic issues.

Of note, the IT department did reduce the FTE of a manager position in Multimedia Services in the last round of cuts as the staffing levels overseen by that individual grew smaller.

GIS Analyst (1.0 FTE – January 2012)

The land area covered by the city will increase from about 10.5 to about 17.5 miles a result of this annexation, and this additional GIS Analyst will add less capacity than we actually need to keep all of the GSI layers adequately up to date as the amount of data in the annexation area approaches the amount of data in the current city limits. IT will request an additional resource at some time in the future. In the meantime, the addition of this staff person will help to keep the data development that the city has invested in for the annexation area current and accurate.