

DENVER
THE MILE HIGH CITY

Technology Services 2012 Budget Presentation

Chuck Fredrick
Interim CIO

September 20, 2011

Who is Technology Services?

Technology Services is the Central Information Technology and Telecommunications Department for the City and County of Denver.



Technology Services



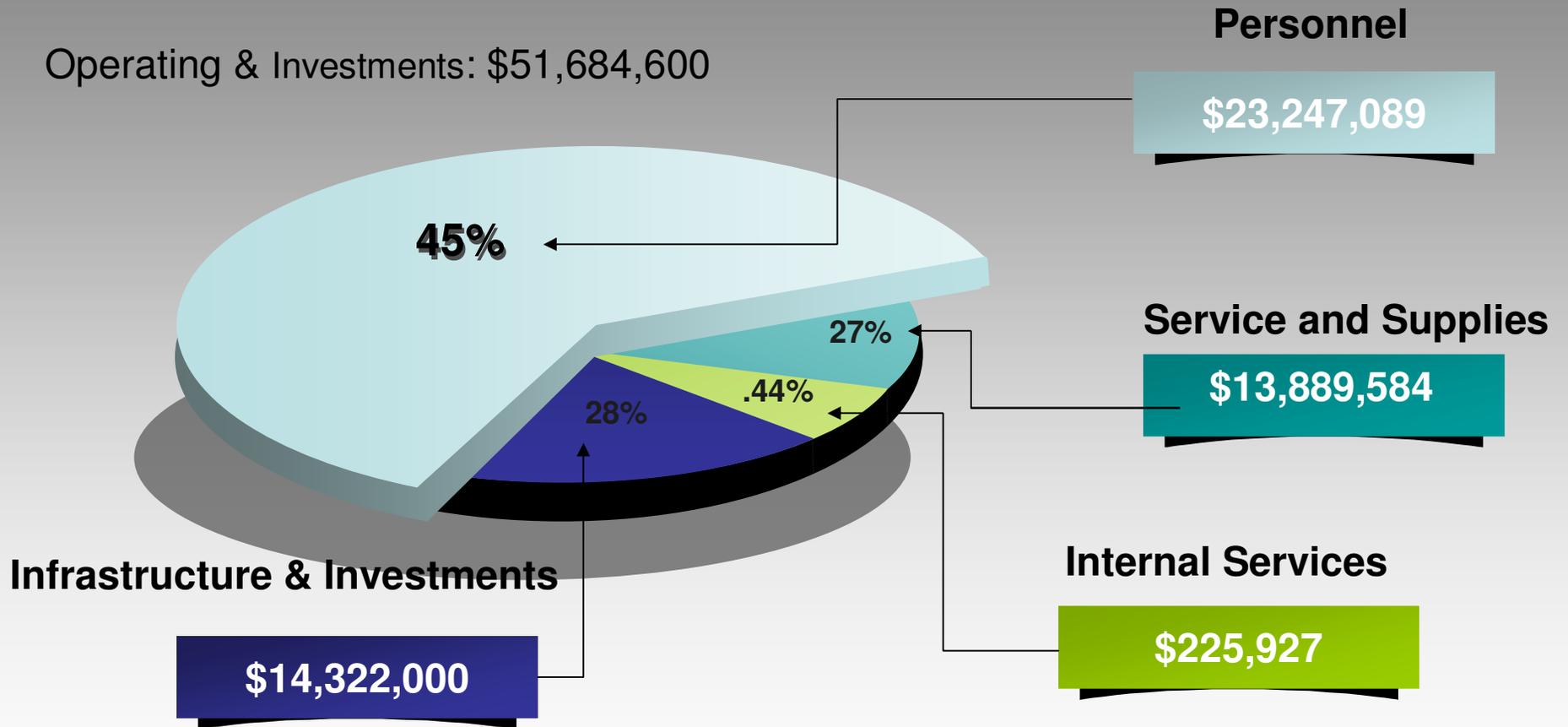
Services

- **Traditional IT Services**
 - Voice and data services for city sites
 - Support for computer users
 - Enterprise and Agency level applications
 - Partnering with agencies on technology strategies
- **Non-Traditional IT Services**
 - Technology for Denver 911
 - Denver's first responder and public utility radio systems
 - Denver 8 television station
 - Denver's 311 call center

Technology Services 2012 Budget

Operating Budget: \$37,362,600

Operating & Investments: \$51,684,600



2012 Significant Budget Changes

Decreases

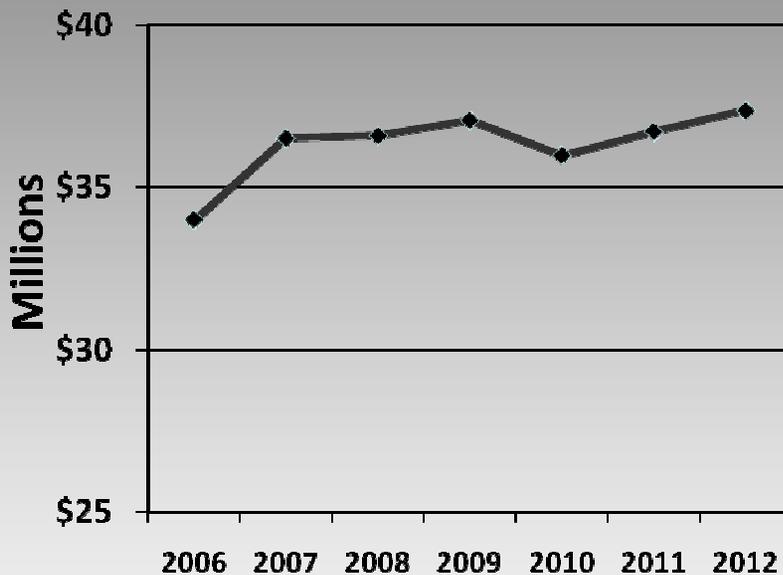
- \$1,178,900 decrease in personnel (13.0 FTE's in vacant positions)
- \$10,000 decrease in Software Maintenance

Increases

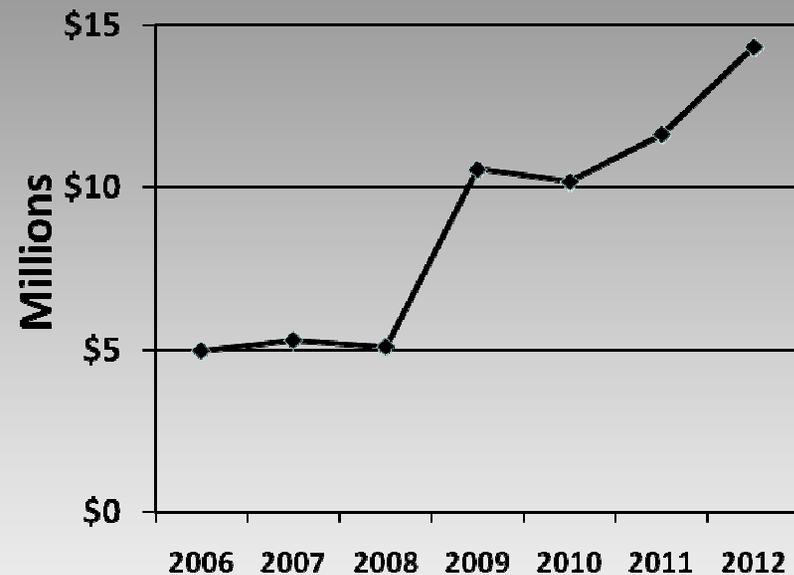
- \$2,684,000 increase in Infrastructure & Investments (one-time Capital increase)
 - \$500,000 increase for safety radios
 - \$322,000 increase for desktop management/automation tool license
 - \$1,862,000 increase for new projects
- \$352,500 increase for licensing and maintenance fees on specific systems:
 - New Assessor System
 - Enterprise Cashiering
 - Ephesoft (new scanning solution for document management)
 - Power Management
- \$60,100 increase for limited GIS Technician to support census data analysis and redistricting processes
- \$9,600 increase for Denver 8 Granicus Video System Upgrade

Technology Services Environment

The TS Operating Budget has remained relatively flat for 6 years despite significant increases in new capabilities through capital projects.



TS Operating Budget

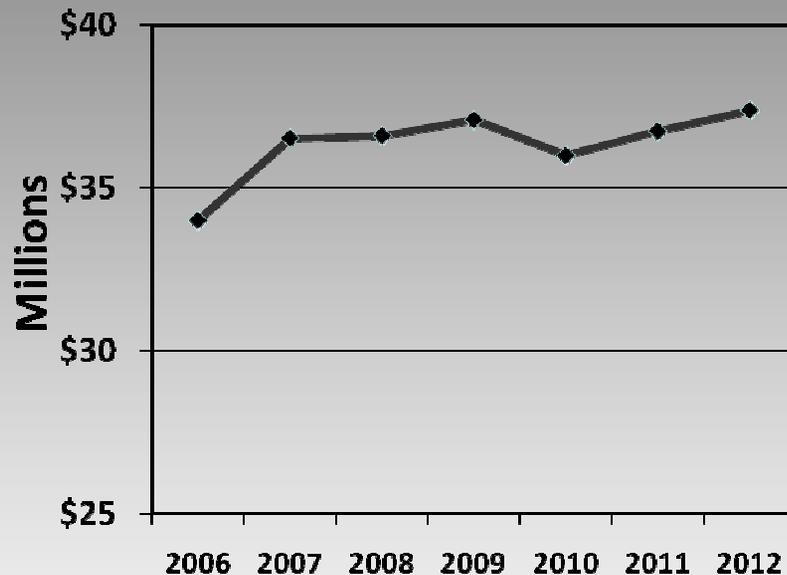


TS Capital Budget

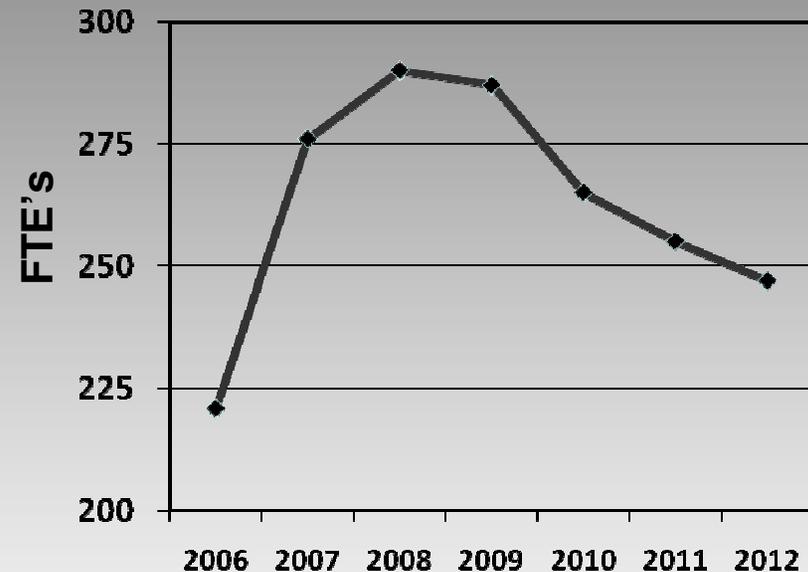
- New Systems and capabilities via Capital Projects include :
 - TCS, Enterprise Cashiering, Contracting Automation, ePerformance, Golf & Rec, LIS, Network Upgrade, Server Virtualization, many others
- In addition, Shared Services have added additional increases in responsibilities:
 - 1100+ new computers (25% increase), 64 servers (+10%), 800+ users (+9%)

Technology Services Environment (cont).

While TS Operating Budget has seen an increase in maintenance costs for new systems, TS has reduced budget with FTE reductions



TS Operating Budget



TS FTE Count

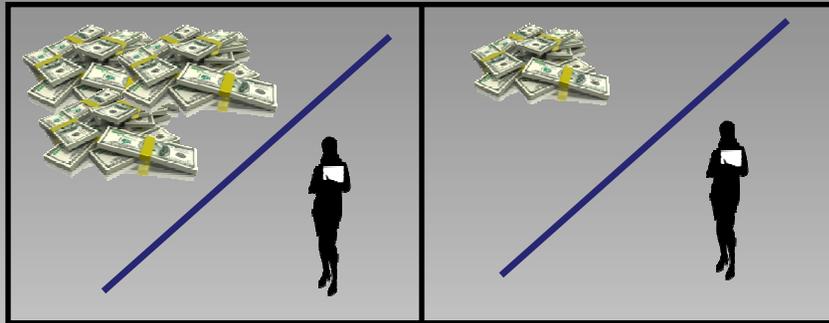
Conclusions:

- While the net effect looks as though the Operating budget for TS is even, further analysis shows that cost increases for new system licensing & maintenance costs are being offset by FTE reductions (FTE's down 17% over the last three years)
- This is causing a challenge for TS support of existing and newly deployed capabilities

Technology Services Environment (cont).



IT Spend per Employee

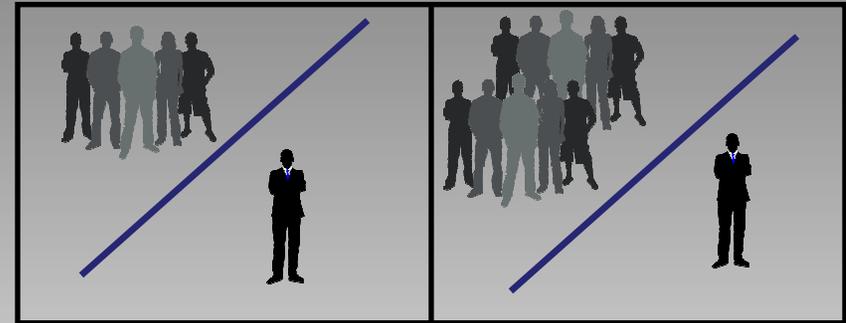


Gartner Average
\$7,500/FTE

City of Denver
\$4,047/FTE



IT FTEs as % of Employees



Gartner Average
3.5%

City of Denver
2.3%



Desktop-Laptops/Support FTE



Virtual Servers/Support FTE



Physical Servers/Support FTE



Help Desk as % of IT FTE



Contacts Handled/ Help Desk FTE



◆ Industry Benchmark
▼ City of Denver

Service Impacts

- It is difficult to quantify exact impacts of budget cuts due to:
 - Cumulative effects of previous year cuts
 - Interdependency of technology systems
 - Offsets due to our efforts to improve efficiencies
- However, we can detail impacts based in general terms across four key areas
 - Infrastructure
 - Service and Support
 - New Projects
 - Staff

Infrastructure Impacts

- The City experienced more unplanned outages in 2011 than in recent years
 - Cannot be easily predicted or narrowed to specific systems.
 - This trend is likely to continue.
- Three major factors to our escalating outage issues
 - Aging of equipment: can't keep up with recommended replacement cycles for hardware or software due to lack of budget and resources
 - Lack of proactive maintenance: staff do not have the time needed to perform tasks such as system updates, patches, and testing
 - Lack of appropriate staff for system changes/upgrades: staff are over-tasked and rush to complete work, cut corners, or make mistakes, causing unplanned issues

Service and Support

- TS has decreased service and support delivery in 2011, and this will continue with fewer people and more technology in 2012
 - Wait times increase for ticket resolution
 - Lower priority requests may be turned away outright
- Security and Compliance Risk increases
 - Lack of time for policy creation and upkeep
 - Lack of resources for proactive security practices
- Capacity to improve our own operations decreases

New Projects

- Higher costs (due to professional services staff augmentation) will result in fewer new projects in 2012
 - 2012 Presidential Elections will also tax resources
- TS will have a reduced ability to react to short notice or emergency project requests without having to reprioritize and cease work on previously approved projects
- Missed opportunity to provide services expected of a modern workforce:
 - WiFi in additional city locations
 - Tablets, mobile office technology
 - Video conferencing
 - Social applications

Staff Impacts

- Staff morale is low due to increase workload and decreased resources
- Limited training budget compared to other IT organizations
- Limited tools and infrastructure make working in our IT environment more difficult and frustrating for staff than it should be
- Reduced ability to recruit and retain qualified IT staff
- From the Employee Survey:
 - 58% Employee Job Satisfaction (down from 66% in 2008), lowest in the city
 - Number one request of management to make employees more effective: staffing/workload issues (24%)
 - 60% of staff have experienced burnout within the last six months prior to employee survey;
 - 70% of staff feel their job is stressful

Our Call to Action

- Strategic Plan
 - Focus on driving operational efficiencies
 - Concentrate on core businesses, abandon or change what does not make sense
 - 90 days to actionable steps
- IT Process Maturity Study
 - Study funded and implemented in 2011
 - Implement meaningful findings from Gartner study
- Peak Performance
 - Actively participate
 - 21 Lean Six Sigma Green Belts certified in 2011, 5 Black Belt candidates in process of certification now

Specific Questions From City Council

- Does the limitation on email capacity have to do with the budget; and if so, what would it cost to increase that for Council?
- What is the plan to integrate the newest technology tools into our work environment?

Backup Slides

Governance – The IT Investment Council (ITIC)

- Comprised of many leaders across the City
 - MO, PW, Parks & Rec, City Attorney, BMO, CFO, Community Planning, DHS, CSA, and Public Safety
- Determines yearly IT capital projects
 - Formal call for requests
 - Scoring
 - Business Case and Solution Development
 - Goal: rolling 6-year plan
- Technology elements included in business case
 - Refocus the conversation on the optimum technology solution for the City, not just the requestor

Partial List of ITIC Current Projects

- Customer Experience (Denvergov)
- Document Management Program
- Enterprise Cashiering
- Assessor System Replacement
- Integrated Criminal Justice
- Development Services
- “Foundational Technologies”
 - Includes Business Intelligence: technology for dashboards and reporting (key technology component of Peak Performance)