

FY 2018-20 Budget Outlook

Innovation and Technology Department

Budget Engagement Commission

January 30, 2018

DEPARTMENT MISSION

The Mission of the Innovation and Technology Department is to:

- work collaboratively with other departments and organizations to improve the quality of life in the City through economic development;
- achieve innovative, practical, and reliable solutions to City problems, optimize processes through information technology leadership and professional services; and
- provide an exciting, challenging, and rewarding environment where team members derive satisfaction from challenging assignments, continued professional growth, personal accomplishments, and the success of City of Riverside departments in meeting their operational and service objectives



DEPARTMENT OVERVIEW

- Full Service 24 x 7 IT Department
- 59.25 Staff members
- Service 19 departments including Public Safety and Riverside Public Utilities
- Over 60 Locations
- Up to 2,100 calls for service per month
- Approximately 9,000 connected devices



DEPARTMENT OVERALL GOALS

- Provide a secure, reliable technology infrastructure to our 2,300+ end users
- Guide the use of technology for the City
- Listen to the business and operational needs of departments and make recommendations that fit into a common framework that will benefit the whole



RIVERSIDE 2.1 SPECIFIC GOALS

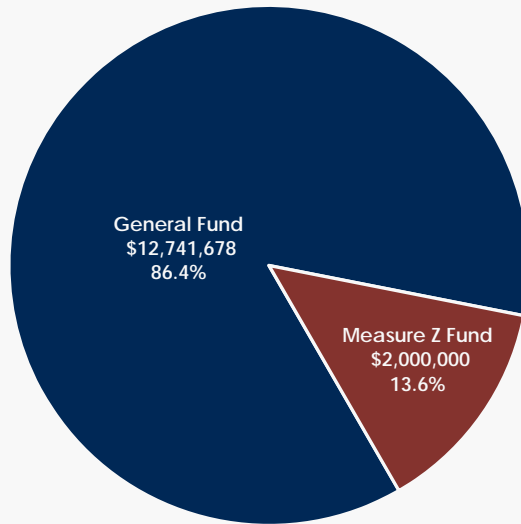
1. Improve cybersecurity defenses to protect Citywide infrastructure
2. Create a Citywide Comprehensive Continuity of Operations Plan
3. Modernize Citywide information systems and infrastructure to improve efficiency and security
4. Expand Government transparency efforts through technology and innovation
5. Provide excellent customer service to internal City technology users



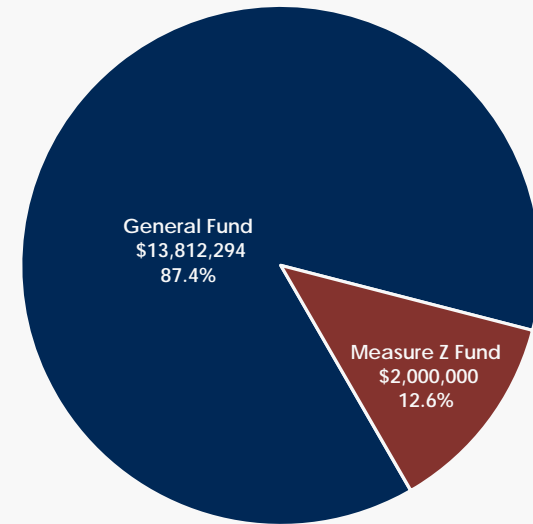
2018-20 BIENNIAL BASELINE BUDGET OVERVIEW

EXPENDITURES – ALL FUNDS

FY 2018-19
\$14.7 Million



FY 2019-20
\$15.8 Million



Measure Z spending related to Citywide Technology Improvements

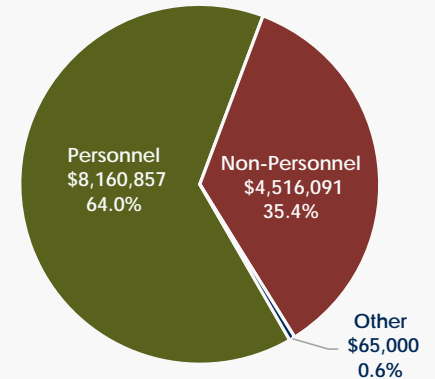


BASELINE BUDGET OVERVIEW

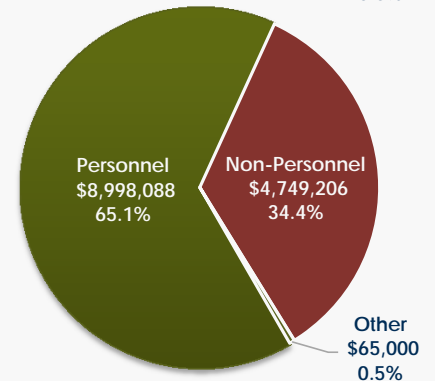
REVENUE AND EXPENDITURES – GENERAL FUND

- No Revenue Sources
- Non-Personnel Costs
(\$4.5 Million-35.4%/\$4.8 Million-34.4%)
 - Software and Hardware Maintenance/Support that are recurring or contractually obligated costs which make up more than 90% of the Non-Personnel budget
- Personnel Costs
(\$8.2 Million-64.0%/\$9.0 Million-65.1%)
- All other costs (\$65,000-0.6%/\$65,000-0.5%)

FY 2018-19
\$12.7 Million



FY 2019-20
\$13.8 Million



DEPARTMENTAL BALANCING MEASURES

- Used budget reduction methodology as established by City Management
- General Fund Reduction
 - Renegotiated/consolidated vendor agreements for savings
- **Potential Revenue Enhancement**
 - Sale of City Owned Internet IP Addresses (up to \$200,000 in one-time revenue)

Reduction	Service Impact	Fiscal Year 2018-19	Fiscal Year 2019-20
Software Maintenance and Support	No Service Impact. Reduction was related to the elimination of project contingency funds and the renegotiation/consolidation of vendor agreements.	\$250,444	\$332,131
Professional Services	Eliminates emergency call support for phone system, GIS consulting services, and data center preventative maintenance (cleaning)	\$27,800	\$25,400
Office Expenses and Special Supplies	Minimal Service Impact – Defer purchase to reduce costs.	\$12,800	\$10,000
Equipment/Software Purchase and Maintenance	Replace equipment less frequently, perform maintenance and upgrades to equipment and software less frequently	\$78,276	\$27,989
Vacancy Factor	Minimal Service Impact during period positions held vacant.	\$40,347	\$56,972
Balancing Measure Subtotal		\$409,667	\$452,492
Addition Revenue Enhancement		\$100,000	\$100,000
Total Balancing Measures		\$509,667	\$552,492



CRITICAL UNFUNDED NEEDS

Unfunded Need	Justification	Fiscal Year 2018-19	Fiscal Year 2019-20
Administrative Services Manager Position	To direct and coordinate the fiscal and analytical operations of the department. Promote operation efficiencies and improve customer service.	\$115,941	\$126,586
Innovation Lab/Conference Room Basement Reconfiguration	To provide needed work space for department personnel to perform job duties.	\$50,000	\$50,000
Secure Media Destruction Service	To protect City Data stored on decommissioned tape media that requires secure disposal.	\$7,500	\$7,500
Single Sign-on Add-on for Linux/Unix Environments	To improve account management controls within the City's Linux/Unix environments.	\$5,000	\$5,000
Total		\$178,441	\$189,086

Additional unfunded needs to reduce risk of costly, unplanned equipment failures were presented during March 30, 2017 BEC Meeting Measure Z presentations



EMERGING FISCAL CHALLENGES

- Shift from perpetual license model to subscription-based
 - Under software subscriptions the initial capital cost is eliminated, but the annual subscription costs are typically higher
- Equipment is reaching “end of life” faster than in years past
 - Replacement cycle is expedited and costly



MEASURE Z OVERVIEW

TECHNOLOGY SPENDING PLAN: PHASE 1

Project Category (First 13 Projects Reflected)	Budgeted FY 2017-18 through FY 2020-21
Cybersecurity	\$716,558
Hardware and Infrastructure (servers, storage, and network equipment & licensing)	\$2,768,847
System Upgrades	\$300,000
Training	\$96,000
Project Contingency	\$314,707
Total	\$4,196,112



CAPITAL PROJECTS OVERVIEW

Funded

1. Data Network Replacement

a. Estimated capital cost - \$3,168,625

1. Measure Z funds - \$1,964,967

2. Non-GF Cost Match funds - \$1,203,658



CAPITAL PROJECTS OVERVIEW

Unfunded

1. Work-Order/Asset Management System Upgrade - \$3,234,900
2. Voice over IP (VoIP) Telecommunications System Upgrades - \$965,000
3. Enterprise Resource Planning (ERP) System Replacement - \$18,000,000

