

# BUSINESS INFORMATION SERVICES

## MISSION

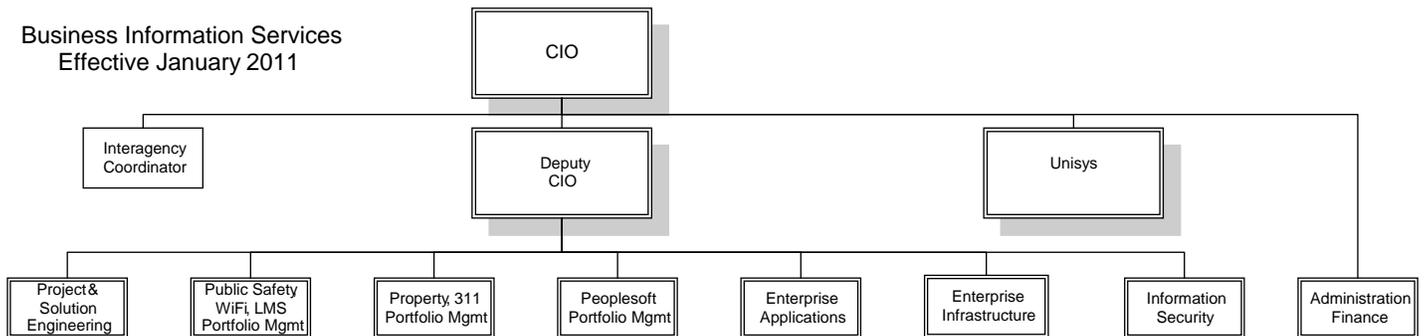
The department's mission is to deliver innovative, high quality, value-added services at a reasonable cost to City departments in support of their business goals and objectives. *BIS drives results and a positive City image by being progressive partners with City departments.*

## BUSINESS LINES

BIS delivers service through three business lines:

- **Application Services:** partners with City departments to support critical business applications, ensures sustainability of business functionality through lifecycle planning, and provides business performance measurement capabilities.
- **Business Development Services:** collaborates with City departments to design and implement information technology services that meet business needs. This includes re-engineering business processes, leveraging enterprise architecture and technology investments, and expanding e-government and geographic information services.
- **Enterprise Infrastructure Services:** works with City departments to understand their needs and partners with external service providers to sustain and enhance City computer and telecom operations. Focus is to ensure that the information technology infrastructure meets today's needs and is positioned to meet the City's future needs.

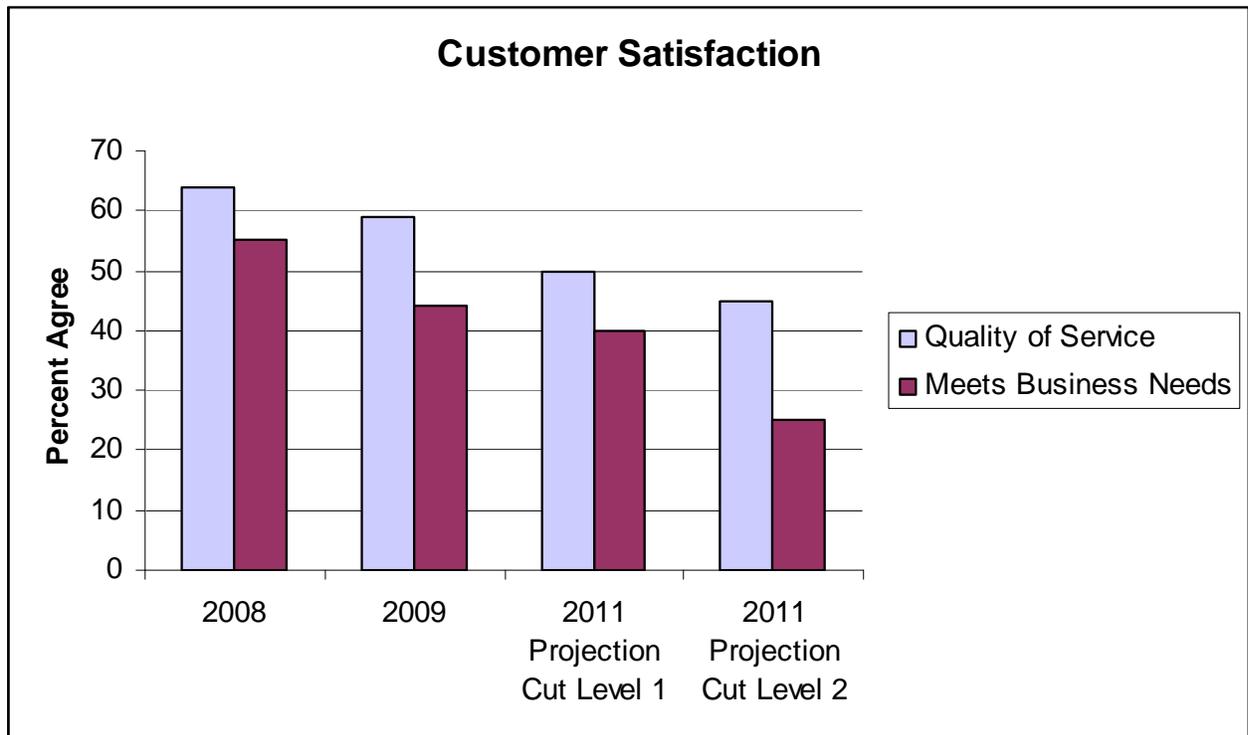
## ORGANIZATION CHART



## RESULTS MINNEAPOLIS CHARTS

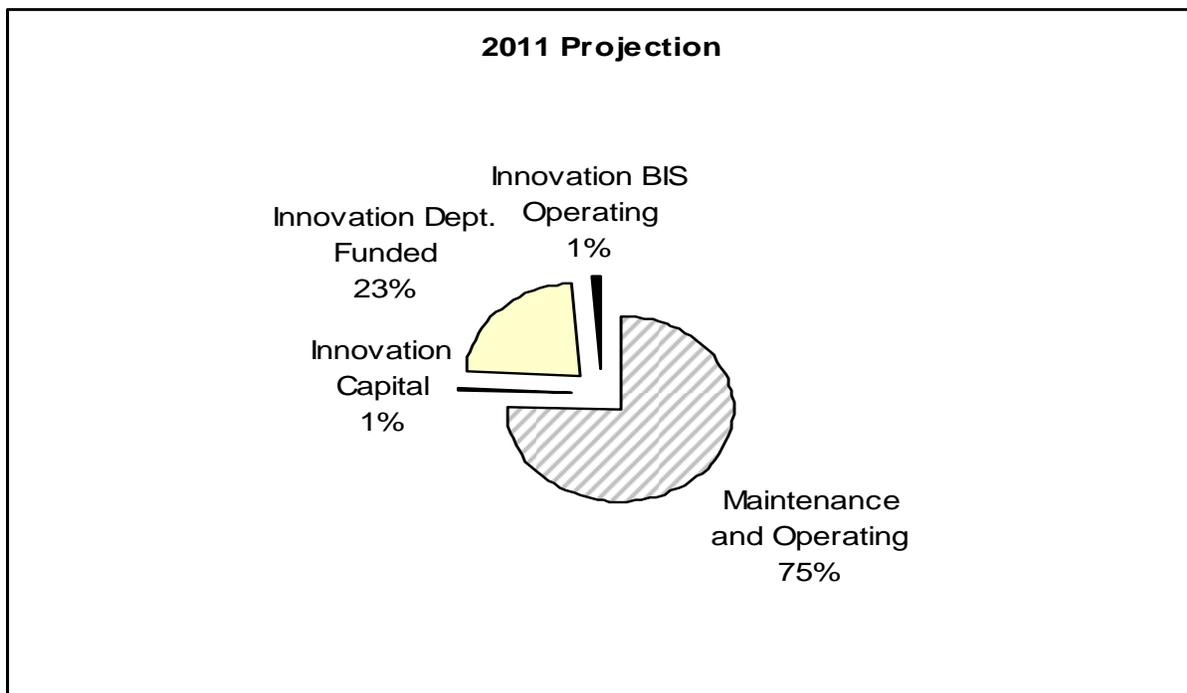
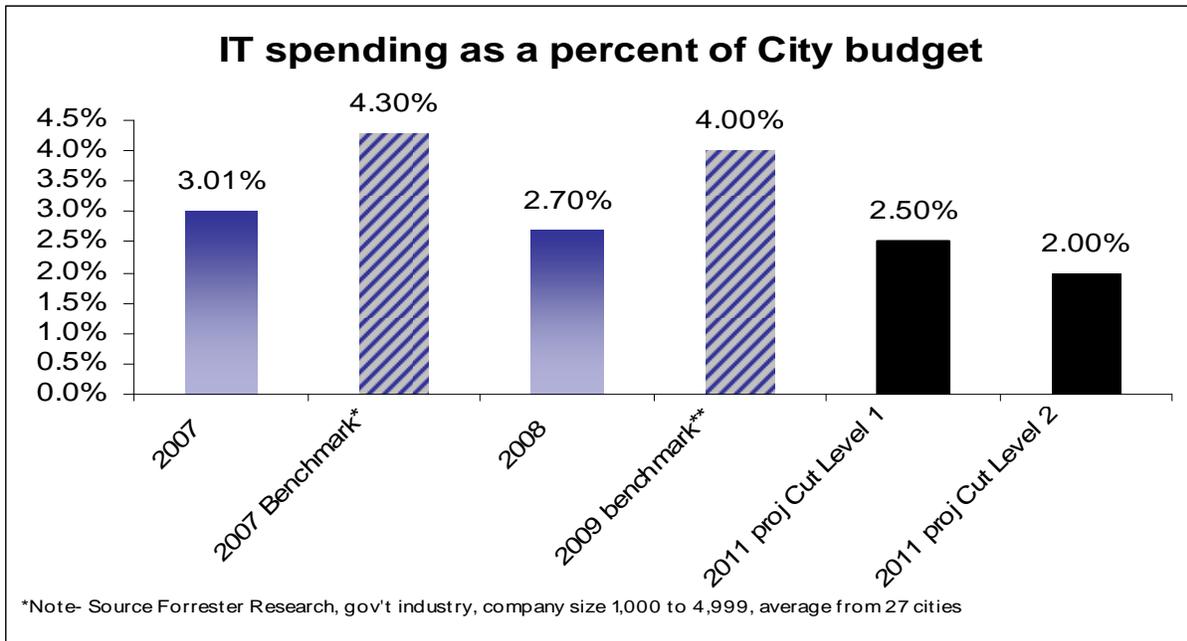
### + Customer Satisfaction

BIS had been showing steady improvement in customer satisfaction until budgets were reduced in recent years. The department expected to see continued improvement with more strategic focus and improved outsourcing relationship. Unfortunately, the gains have been lost. With additional staff reductions BIS will have insufficient resources to fully implement the business plan and strategic priorities. The two categories shown below, *Quality of Services* and *Business Needs*, are BIS' sole responsibility. Therefore, these are the areas most impacted by a budget reduction. Meeting the business needs and projects are strategic activities which would be reduced to ensure that foundational support activities still occur.



## + IT Spending

There are two *Results Minneapolis* measures around IT spending. The first is as percentage of the City budget as benchmarked against other government entities and the second is the percent of IT spending on maintenance and operations vs. innovation. The department has seen both these drop in recent years and additional budget reductions will further their decline. Following are the graphs representing the anticipated changes:



## **+ Managed Services**

Generally, steps taken to stabilize the infrastructure and renegotiate the managed services contract will mitigate the reduction impact. Seven of the 38 SLA have a BIS dependency component. As such, reductions in BIS staff may limit Unisys' ability to resolve issues timely. There is no reason to believe there will be additional outages, but the rate of outage seen today could be much more painful to City staff. In the event of an outage, the department expects longer resolution time which translates to employees losing access to critical business systems for longer periods of time, resulting in lost productivity. Because the City has contributed to the failure to meet the SLA, the department will be unable to assess the penalty credit and recoup losses from the missed SLAs; essentially eliminating nine of the 38 (24 %) contractual SLA measures.

### ***What two or three key trends and challenges does the department face and how will each be addressed?***

The most daunting trend/challenge faced by BIS is the reduced operating budget. Over the last three years BIS has had \$3,150,000 in budget reductions inclusive of department cuts and reductions to growth. The other part of the financial challenge is the inflationary increases in non-personnel costs that are not covered in budgets. These items have left the City with little capacity for innovation and reduced ability to maintain current operations. This, coupled with the continuing appetite departments have for implementing technology solutions to further their business objectives, is severely straining BIS resources. While on the surface this appetite may appear as an opportunity, it puts a strain on BIS' declining resources.

Furthermore, the demand for information services and technology solutions is increasing as customers demand better, faster services and departments increase their use of technology to save resources and increase productivity. A review of Department Business Plans shows that departments have identified hundreds of potential opportunities to streamline business processes to improve efficiency and customer services. The majority of these opportunities involves technology and, unfortunately, BIS does not have the capacity to actually implement these improvements.

Finally, BIS typically funds enterprise-wide core technology service needs through capital funds (when appropriate) or through operating funds accumulated by maintaining vacancies. Recent and proposed budget cuts will completely eliminate the ability of BIS to absorb unbudgeted expenditures to fund core services.

To effectively address these challenges, BIS needs support for minimizing the growth of the environment. A department's funding availability should not ensure the implementation of technology that is not an enterprise priority.

### ***In what internal/external partnerships is the department currently engaged and/or exploring for the future?***

BIS regularly engages partners to achieve the goals and objectives of the City. The nature of the department's work requires a collaborative working relationship with entities both internal and external to the City. The department's most strategic partnership is with its outsourcing service provider, Unisys. Recently, the department has renegotiated the contract to reduce the

expenditure during these tight budgetary times. In addition, several organizations are partnering with BIS to enable City staff to utilize more self-service options. This will enable greater efficiency while reducing costs.

***How is the department evaluating programs or services for cost effectiveness?***

As is standard practice, the department not only reviews the cost effectiveness of programs but also the cost / value proposition. For example, BIS has reviewed every major technology contract, negotiating significant savings and identifying service reductions to garner even greater savings. Working collaboratively with the citywide department representation on the Information Services Business Advisory Group and the Information Services Executive Group, the service reduction was determined to be acceptable for the savings that can be obtained.

***What actions will the department take to meet the current financial projections?***

To reach the \$455,000 reduction to growth, BIS will delay by one year the refresh of computers scheduled for the remainder of 2010 and all of 2011; effectively modifying the schedule from four years to five years for every device in the environment today. In addition, the department has negotiated changes in the storage, email, and network connectivity that will have negligible impact on City staff. Finally, the department will eliminate a manager position.

In summary, these cuts will significantly reduce BIS capabilities and the impact will be felt by every department. The effort BIS has begun, to consolidate and right-size the City's IT environment will not move forward.

**FINANCIAL ANALYSIS**

**EXPENDITURE**

The 2011 budget for Business Information Services department is \$26.4 million, an 8.0% or \$2.0 million increase from 2010. The increase is primarily due to two factors: budgeting to more accurately reflect the actual cost of maintenance contracts and the Unisys contract, as well as one-time funding initiatives in 2011. The 2011 budget includes an increase in customer sponsored maintenance contracts of \$126,765. The maintenance contract expenditures are offset by revenues received from the sponsors. The general fund overhead charge is funded by BIS reductions. There are 59 positions in the department, including a decrease of 21 FTE needed to meet the department's long-term financial projections. Personnel are 25% of the total department budget. The department's contractual expenses are 71% of its budget. The 2011 BIS budget does not include a reduction to growth. Part of the reduction in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures. The remainder of the difference is primarily due to a change in how the MERF contributions are accounted for in the budget.

**REVENUE**

With anticipated revenues of \$26.6 million, the BIS budget for 2011 shows an increase of 3.9% or \$1.0 million over the 2010 Revised Budget of \$25.6 million.

**FUND ALLOCATION**

Business Information Services is funded entirely within the Intergovernmental Services Internal Service Fund.

## MAYOR'S RECOMMENDED BUDGET

The Mayor did not recommend a reduction to growth for this department. The Mayor recommended one-time funding of \$465,000 for this department to secure Finance and Human Resources data of which \$200,000 is for data auditing, and \$265,000 is for encryption. The Mayor also recommended a reduction of 13 FTE to meet the department's long-term financial projections.

## COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation and directed the Department to identify a plan with assistance from the Finance Department to achieve a long-term, structurally balanced budget and report the plan to the Ways and Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

The Council also directed the Department to work with the Finance and Human Resources departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

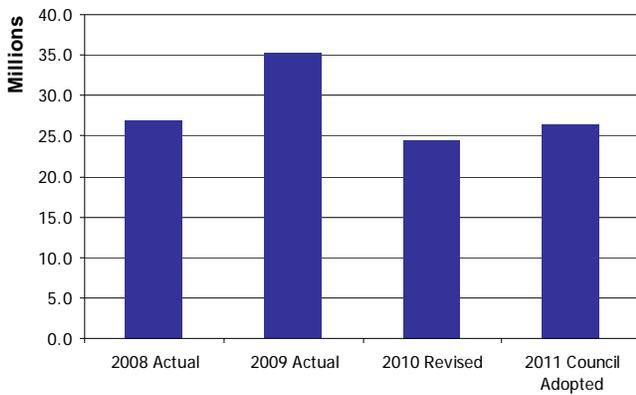
The Council also directed the BIS Department to work with Finance and Regulatory Services to estimate the ongoing costs of the proposed Land Management System and propose an allocation to the departments for ongoing operating costs no later than July 1, 2011.

## BUSINESS INFORMATION SERVICES EXPENSE AND REVENUE INFORMATION

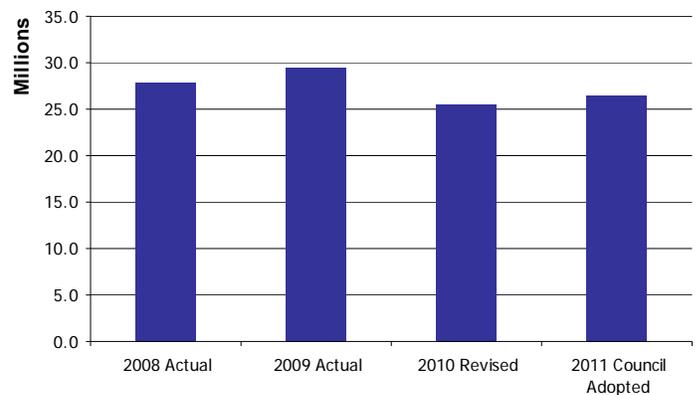
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	14,419				0.0%	0
FRINGE BENEFITS	573				0.0%	0
CONTRACTUAL SERVICES	8,713				0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>23,705</b>					<b>0</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	4,250,729	5,722,687	5,565,441	5,020,613	-9.8%	(544,828)
FRINGE BENEFITS	1,311,912	1,718,951	2,205,989	1,640,879	-25.6%	(565,110)
CONTRACTUAL SERVICES	16,740,404	18,124,065	16,001,932	18,835,386	17.7%	2,833,454
OPERATING COSTS	4,563,661	9,590,021	532,034	783,173	47.2%	251,139
CAPITAL			130,412	115,497	-11.4%	(14,915)
<b>TOTAL INTERNAL SERVICE</b>	<b>26,866,706</b>	<b>35,155,723</b>	<b>24,435,808</b>	<b>26,395,548</b>	<b>8.0%</b>	<b>1,959,739</b>
<b>TOTAL EXPENSE</b>	<b>26,890,411</b>	<b>35,155,723</b>	<b>24,435,808</b>	<b>26,395,548</b>	<b>8.0%</b>	<b>1,959,739</b>

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
FEDERAL GOVERNMENT					0.0%	0
<b>TOTAL SPECIAL REVENUE</b>					<b>0.0%</b>	<b>0</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SERVICES	27,750,893	29,602,026	25,538,583	26,543,694	3.9%	1,005,111
CHARGES FOR SALES	20,268	20,270	20,000	20,000	0.0%	0
GAINS		(99,203)			0.0%	0
OTHER MISC REVENUES	4,263	(62,093)			0.0%	0
<b>TOTAL INTERNAL SERVICE</b>	<b>27,775,424</b>	<b>29,460,999</b>	<b>25,558,583</b>	<b>26,563,694</b>	<b>3.9%</b>	<b>1,005,111</b>
<b>TOTAL REVENUE</b>	<b>27,775,424</b>	<b>29,460,999</b>	<b>25,558,583</b>	<b>26,563,694</b>	<b>3.9%</b>	<b>1,005,111</b>

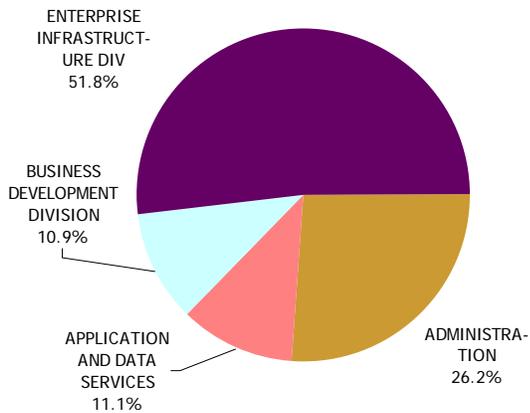
Expense 2008 - 2011



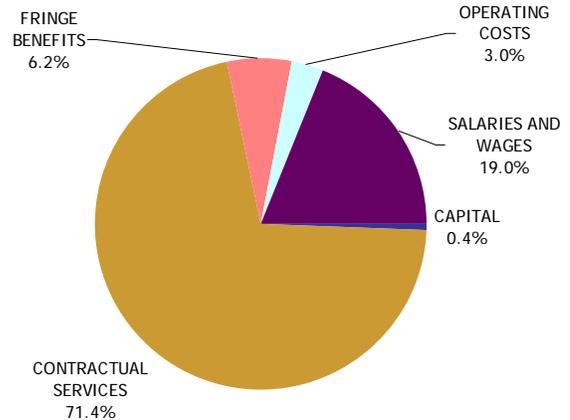
Revenue 2008 - 2011



Expense by Division



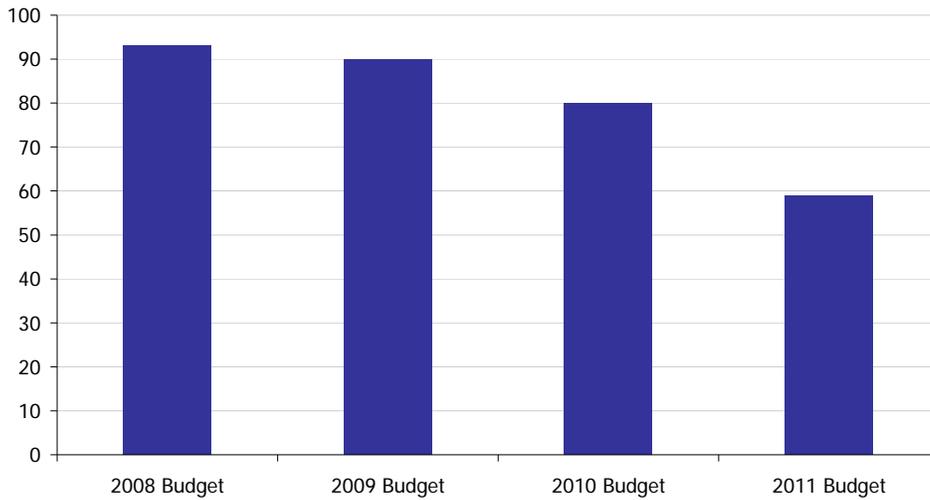
Expense by Category



## BUSINESS INFORMATION SERVICES Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
ENTERPRISE INFRASTRUCTURE DIV	22.00	22.00	19.00	9.00	-52.6%	(10.00)
ADMINISTRATION	11.00	10.00	7.00	8.00	14.3%	1.00
BUSINESS DEVELOPMENT DIVISION	12.00	32.00	24.00	16.00	-33.3%	(8.00)
APPLICATION AND DATA SERVICES	48.00	26.00	30.00	26.00	-13.3%	(4.00)
<b>TOTAL</b>	<b>93.00</b>	<b>90.00</b>	<b>80.00</b>	<b>59.00</b>	<b>-26.3%</b>	<b>(21.00)</b>

### Positions 2008-2011



### Positions by Divison

