

BUSINESS INFORMATION SERVICES

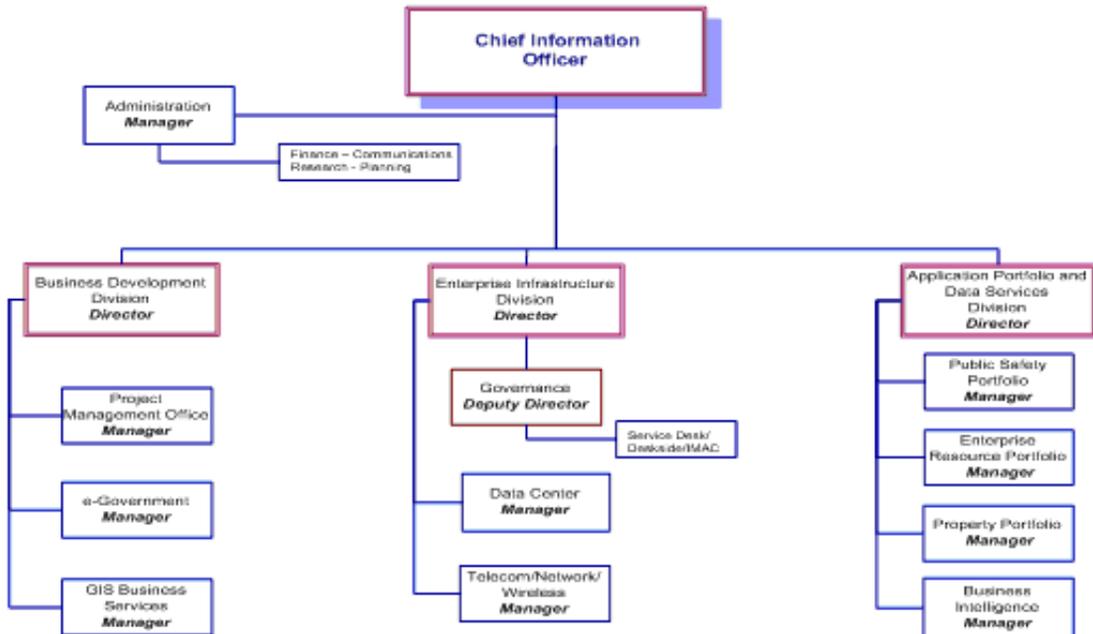
MISSION

To deliver high quality, value-added services at a reasonable cost to City departments in support of their business goals and objectives.

BUSINESS LINES FIVE YEAR DEPARTMENT GOALS AND OBJECTIVES

- **Application Portfolio and Data 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 telecommunications operations. Ensure that the information technology infrastructure meets today's needs and is positioned to meet the City's future needs.

ORGANIZATION CHART



FIVE YEAR DEPARTMENT GOALS AND OBJECTIVES

City Goal	Department Goal	Objectives
Connected Communities Premier Destination	Ensure continuing City operations	The City's technology infrastructure provides decision-makers with the right information at the right time to effectively manage any incident.
		Provide Information Technology services to ensure business continuity that meets City operational needs.
		Ensure information assets are protected against unauthorized access or loss.
		Information systems are available at capacity levels sufficient to support City operations.
		Incidents resolved and fulfillment requests completed within established service level agreements.
Connected Communities Premier Destination One Minneapolis	Maximize the use of City resources and technology investments	City departments leverage wireless capabilities for greater efficiency and/or effectiveness.
		Project requests are evaluated and prioritized through the Information Services (IS) governance process
		Monitor and govern consumption of contracted services.
		Institutionalize Enterprise Information Management throughout the enterprise.
		Business intelligence is leveraged for enterprise performance measurement.
		Implementation of enterprise addresses data management.
		Implementation of enterprise land data management.
		Implementation of enterprise employee data management.
Connected Communities Premier Destination	Utilize industry best practices	Adopt lifecycle approach to service management using Information Technology Infrastructure Library (ITIL) principles.
		Apply business process Improvement (BPI) to new initiatives.
		Service Provider governance is standard practice.
Connected Communities	Continuous improvement of BIS operational efficiencies	Develop application lifecycle strategy/plan to leverage City investments.
		Provide full support to applications
		Ensure the business of BIS runs smoothly.
		Continuously develop employees.

RESULTS MINNEAPOLIS MEASURES, DATA AND TARGETS TABLE						
Measure Name	2004 Data	2005 Data	2006 Data	2007 Data	2008 Target	2011 Target
Outsourced Services Scorecard	N/A	N/A	85	83	TBD*	TBD*
BIS Customer Survey - percent rating "satisfied or very satisfied"						
Quality of services	N/A	N/A	63	64	70	85
Service desk	N/A	N/A	73	85	85	90
Deskside services	N/A	N/A	57	60	70	90
Project management	N/A	N/A	64	87	90	95
Business needs	N/A	N/A	35	55	60	75
E-Government: Number of Services Delivered or referenced online	N/A	N/A	N/A	77	80	100
Business Process Reengineering						
Total # Processes Identified in Database (cumulative)	N/A	N/A	N/A	1264	1293	1493
Processes Partially reengineered (cumulative)	N/A	N/A	N/A	642	672	780
Sub-processes completely re- engineered (cumulative)	N/A	N/A	N/A	290	320	420
IT Spend as a percent of City Budget (Forrester Benchmark)	Yr 2000 2.26	N/A	2.57 (5.0)	2.59	2.60	2.75

* Being revised as a result of renegotiated contract.

What key trends and challenges does the department face and how will each be addressed?

Challenges

Funding for ongoing operations and future investments continues to be the most serious challenge for BIS. As a result, BIS has shifted to department or division specific projects funded on a “pay as you go” basis by operating departments. There is a risk that this funding trend will lead to:

- Disparate investments in services – the smaller departments have a limited ability to fund new initiatives.
- Lack of system integration – pressure to meet only the paying department’s requirements.
- Further segmentation of City services – multiple small systems in lieu of enterprise wide investment.

To mitigate these risks, BIS will continue to lead in finding **innovative means to fund** and implement programs that benefit the City.

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 numerous potential opportunities to streamline business processes to improve efficiency and customer services. Many of these opportunities involve technology, BIS does not have the capacity to actually implement these improvements. Therefore, working through the recently implemented information services governance structure, BIS will be leading the City in using best practices to **properly prioritize new initiatives**. As a result, departments will be following a more rigorous process to create business case justifications for the information technology expenditures.

In addition, BIS historically funded enterprise wide core technology service needs through operating funds accumulated by maintaining vacancies. As departments have increased the use of technology to improve services and efficiencies, the need for essential BIS technical expertise has also increased. To meet the advanced enterprise wide core technology service expertise and ensure the City is positioned appropriately for the future, BIS now must fill these vacancies, resulting in **diminished capacity to fund core services**.

Trends

Wireless Minneapolis is a critical component for the City to better meet the needs of Minneapolis residents, allowing City staff to increase their mobility while maintaining their access to the information needed to perform their duties. BIS is leading departments in their efforts to fully leverage this significant City investment. BIS will collaborate with departments to identify current services that can be migrated to the wireless network. Also, BIS will lead departments in identifying potential future opportunities that the wireless network now makes possible.

To more closely align technology with City goals and business plans, BIS worked with departments and elected officials to establish an **IS governance** structure. Governance now engages City leaders in setting strategic direction around IT investments. As the IS governance process matures, the governance groups will take a leadership role in assessing proposed technology investments and prioritizing those investments from an enterprise perspective. The implementation of governance within City operations is being expanded to vendor management for larger service providers.

To help City management and policymakers make better business decisions, BIS will focus on initiatives that will deliver the right information to the right individuals. A key component will be **Enterprise Performance Measurement**. In 2008, BIS established an emphasis on the City's ability to measure and report on key performance indicators. To build the appropriate foundation will require additional work in enterprise information management and enterprise data management programs.

What actions will the department take to meet the five-year financial direction?

Meeting the five-year financial direction is dependent upon BIS driving cost reductions and efficiencies in operations and those of primary service providers. Implementation of effective governance as well as the staffing to properly monitor service delivery will result in reduced costs for both the short and long term.

FINANCIAL ANALYSIS

EXPENDITURE

The budget calls for an expenditure amount of \$26.2 million for BIS in 2009. This is an increase of \$1.0 million over the 2008 adopted budget, or an increase of 4.5%. Most of the increase is attributable to ongoing application support maintenance contracts. These ongoing costs support the utility billing system, MECC CAD initiative, HRIS, and other customer-sponsored projects. These expenditures are offset by revenues received from the sponsors. The 2009 budget includes a reduction of \$946,000 in managed service costs related to the 311 implementation, offset by an increase of \$671,000 in customer-funded maintenance contracts and an increase in general fund overhead allocation of \$327,000.

The budget for this department includes \$151,201 in property services charges based on the Council's adoption and implementation of a City-wide rate for City Hall tenants. This charge was previously not reflected in departmental budgets. See Schedule 13 for more detailed information. Backing out this charge, the 2009 budget for BIS is \$26,095,000, a 3.9% increase over the 2008 Adopted budget.

REVENUE

With anticipated revenues of \$27.0 million, the BIS budget for 2009 shows an increase of 7.4% or \$1.8 million over the 2008 adopted budget of \$25.1 million. This increase in revenue is primarily attributed to customer-sponsored projects.

FUND ALLOCATION

Business Information Services is funded entirely within the Intergovernmental Services internal service fund.

ORIGINAL BUDGET

The Mayor recommended a reduction to growth of \$140,000 for this department. The Mayor also recommended a \$1.5 million pre-payment of internal service fund obligations for 2012, reducing pressure on the general fund in that year. The Mayor's budget also included \$1.0 million to repay this fund for capital costs related to completing the City's wireless network that were incurred in 2008. Additionally, the Mayor included \$500,000 for fiber ring completion. (These expenses are in addition to the City's annual \$1.25M buying commitment.) Please see the Intergovernmental Services Fund financial plan for more information.

The Council directed BIS to reduce the fiber ring completion project by \$500,000. Council directed that \$285,000 should offset the unmet wireless internet buying commitment in the internal service fund.

MAYOR'S REVISED BUDGET

The Mayor recommended a reduction of \$580,000 from the general fund to BIS, and a reduction of \$145,000 in other funds, for a total reduction of \$725,000. These changes should be reflected the rate model charges to departments, and departmental appropriations will be reduced accordingly.

The Mayor directed BIS to work with the Finance department to develop a process to achieve savings through turning in of computers and other devices under current contract provisions. The process should include a timeline by which departments must make decisions to achieve

savings in 2010. BIS is further directed to work with departments to identify acceptable service reductions under technology contracts that would result in savings in the current fiscal year. BIS should report back to the Ways & Means/Budget Committee no later than April 1, 2009.

COUNCIL REVISED BUDGET

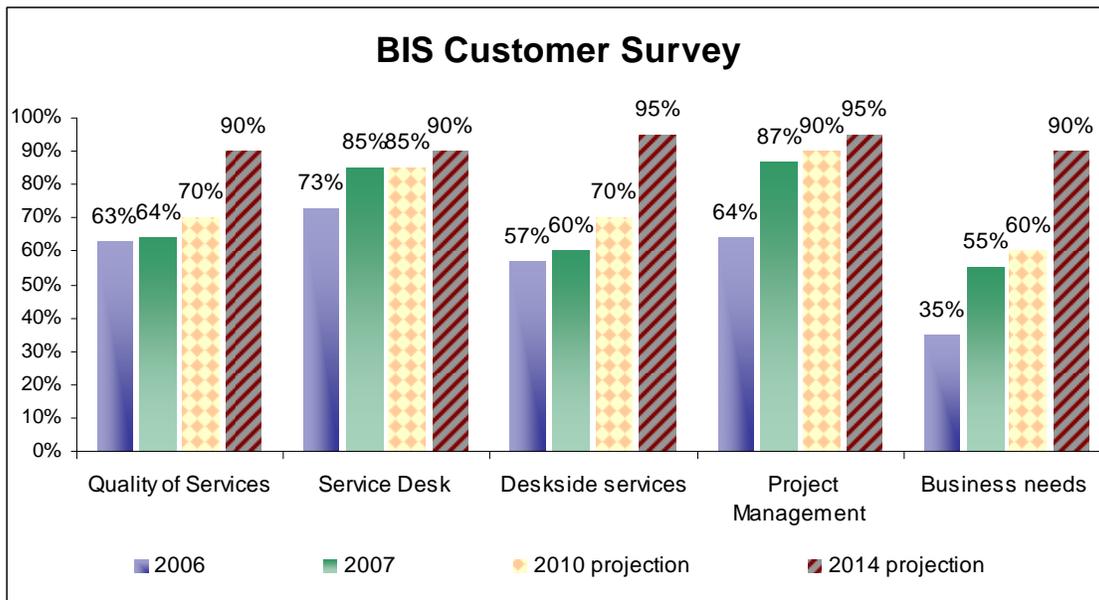
Council concurred with the Mayor’s recommendations.

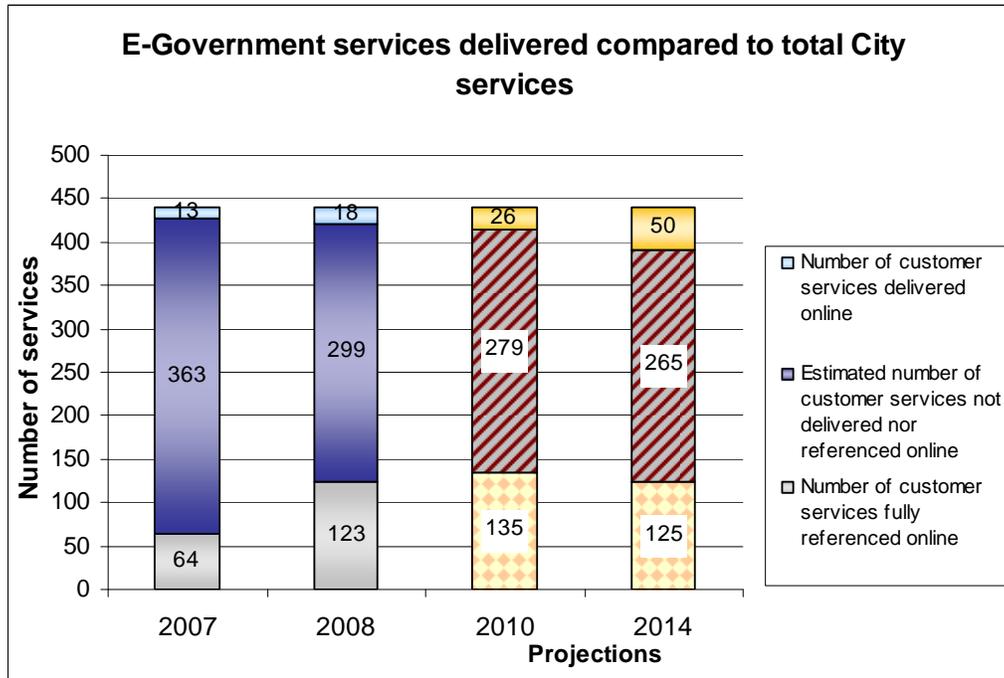
The Council directs BIS to identify opportunities for cost savings through alternative printing services, including the issuance of an RFP, in 2009 to ensure maximum savings for 2010. BIS is further directed to report to Ways and Means/Budget Committee no later than September 14, 2009 on the possible and probable savings for each department.

The Council further directs BIS, Police, Public Works, and Regulatory Services to consolidate all the cellular plans, services, and minutes under the management of a single department. The departments are further directed to submit a plan to Ways and Means no later than July 13, 2009, including identifying the responsible department as well as any staff and/or funding transfers that would be needed. All actions must be completed by December 31, 2009 to ensure savings can be fully realized in 2010.

RESULTS IMPLICATIONS

The following charts show the projected impacts to the department’s *Results Minneapolis* measures due to the Council’s revised budget.



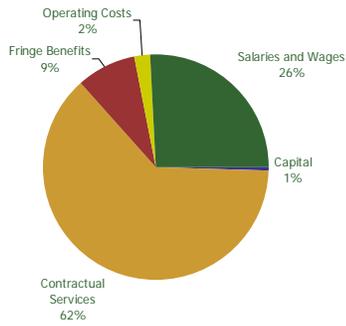


BUSINESS INFORMATION SERVICES EXPENSE AND REVENUE INFORMATION

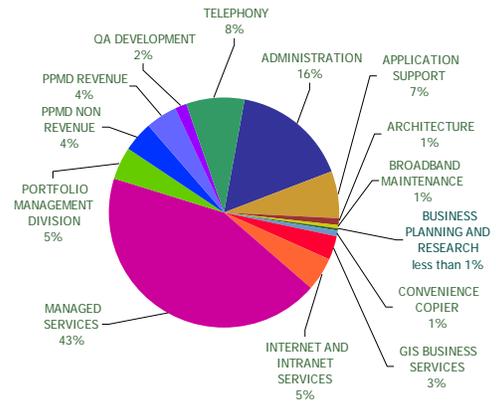
EXPENSE	2006 Actual	2007 Actual	2008 Adopted Budget	2009 Revised Budget	Percent Change	Change
SPECIAL REVENUE						
Contractual Services	332,632	34,409	0	0	0.0%	0
TOTAL SPECIAL REVENUE	332,632	34,409	0	0	0.0%	0
INTERNAL SERVICE						
Salaries and Wages	5,146,197	5,526,774	6,461,791	6,568,950	1.7%	107,159
Fringe Benefits	1,329,127	1,382,278	2,113,774	2,226,046	5.3%	112,272
Contractual Services	16,064,050	20,858,389	15,856,322	16,035,299	1.1%	178,977
Operating Costs	9,935,642	7,301,967	561,311	563,116	0.3%	1,805
Capital	0	55,136	124,372	127,854	2.8%	3,482
TOTAL INTERNAL SERVICE	32,475,016	35,124,544	25,117,570	25,521,265	1.6%	403,695
TOTAL EXPENSE	32,807,648	35,158,953	25,117,570	25,521,265	1.6%	403,695

REVENUE	2006 Actual	2007 Actual	2008 Adopted Budget	2009 Revised Budget	Percent Change	Change
SPECIAL REVENUE						
Federal Government	332,632	19,897	0	0	0.0%	0
TOTAL SPECIAL REVENUE	332,632	19,897	0	0	0.0%	0
INTERNAL SERVICE						
Charges for Service	29,139,456	29,962,434	25,018,919	26,882,744	7.4%	1,863,825
Charges for Sales	22,695	26,438	45,000	30,000	-33.3%	(15,000)
TOTAL INTERNAL SERVICE	29,162,151	29,988,872	25,063,919	26,912,744	7.4%	1,848,825
TOTAL REVENUE	29,494,783	30,008,769	25,063,919	26,912,744	7.4%	1,848,825

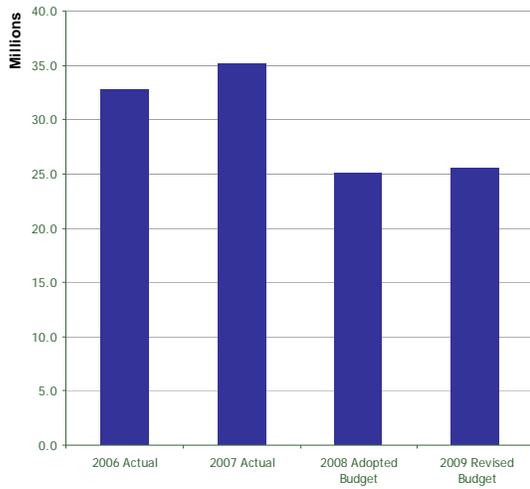
Expense by Category, 2009 Revised Budget



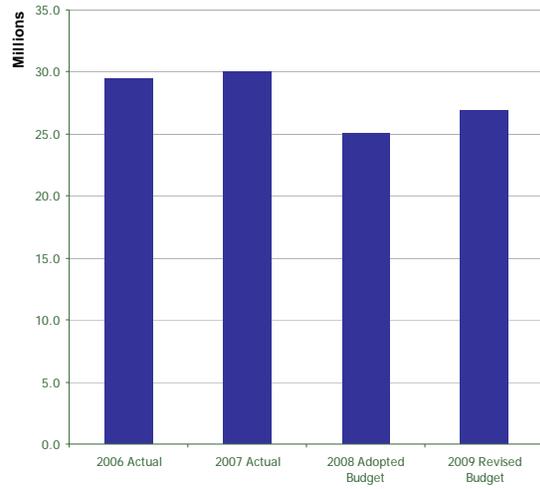
Expense by Division, 2009 Revised Budget



Expense 2006 - 2009



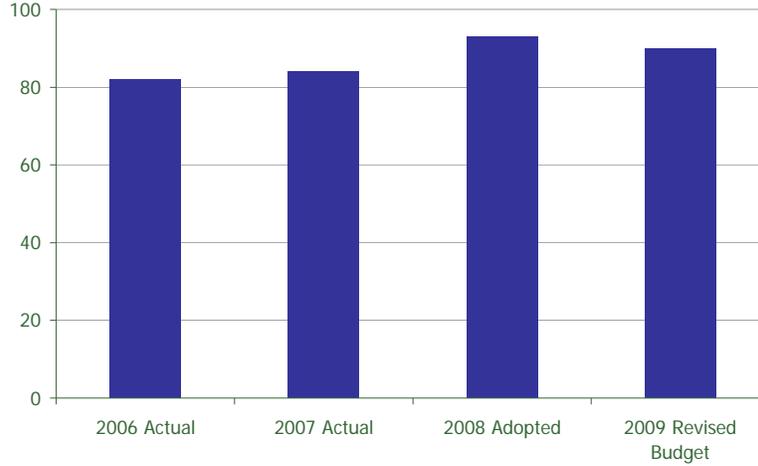
Revenue 2006 - 2009



BUSINESS INFORMATION SERVICES Staffing Information

Expense	2006 Actual	2007 Actual	2008 Adopted	2009 Revised	% Change	Change
ADMINISTRATION			11	10	-12%	(1)
APPLICATION SUPPORT	82	84	48	16	-80%	(32)
ARCHITECTURE			8	2	-14%	(6)
BUSINESS PLANNING AND RESEARCH					0%	
GIS BUSINESS SERVICES				10	10%	10
INTERNET AND INTRANET SERVICES				10	10%	10
MANAGED SERVICES			4	9	1%	5
PORTFOLIO MANAGEMENT DIVISION				10	10%	10
PPMD NON REVENUE				11	11%	11
PPMD REVENUE			12	1	-23%	(11)
QA DEVELOPMENT			10	2	-18%	(8)
TELEPHONY				9	9%	9
TOTAL	82	84	93	90	-3.2%	(3)

Positions 2006-2009



Positions by Division, 2009 Revised Budget

