

# BUSINESS INFORMATION SERVICES

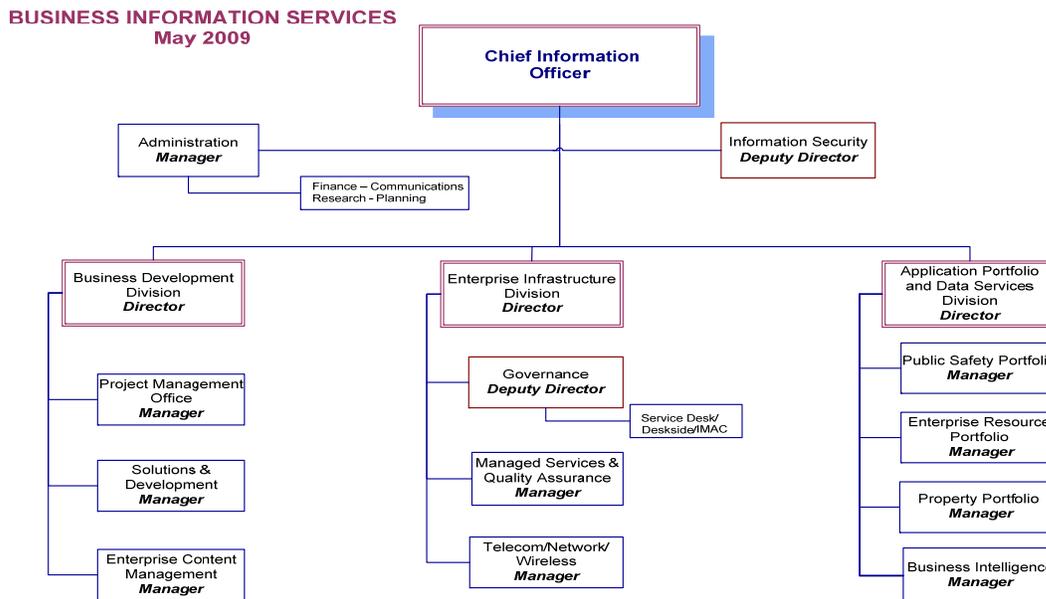
## MISSION

Our 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

- 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 telecom operations. The focus of this business line is to ensure that the information technology infrastructure meets today's needs and is positioned to meet the City's future needs.

## ORGANIZATION CHART

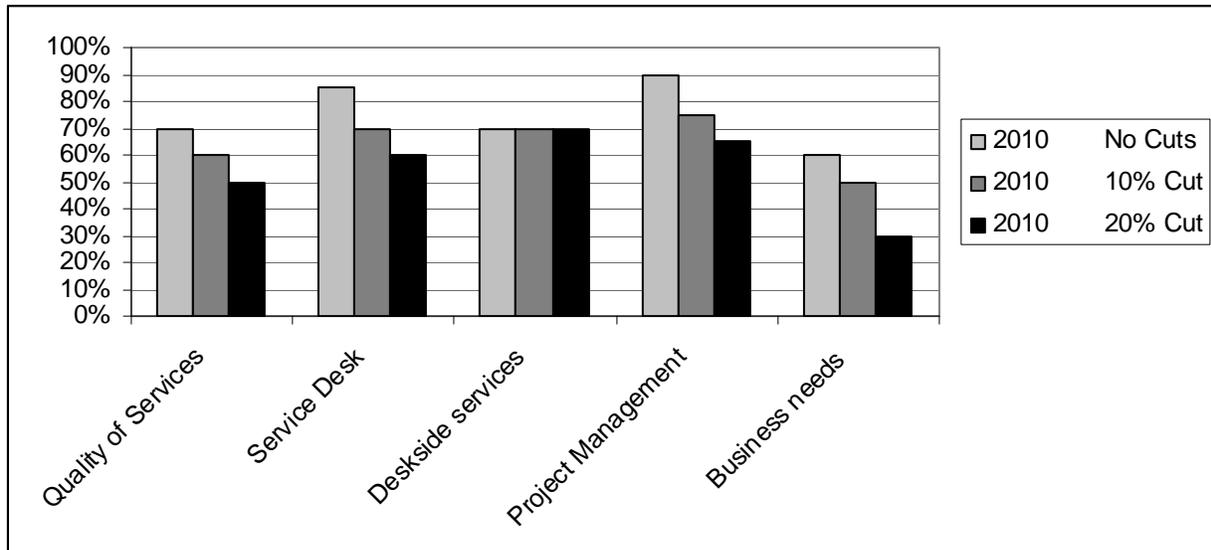


## RESULTS MINNEAPOLIS CHARTS

### Customer Satisfaction

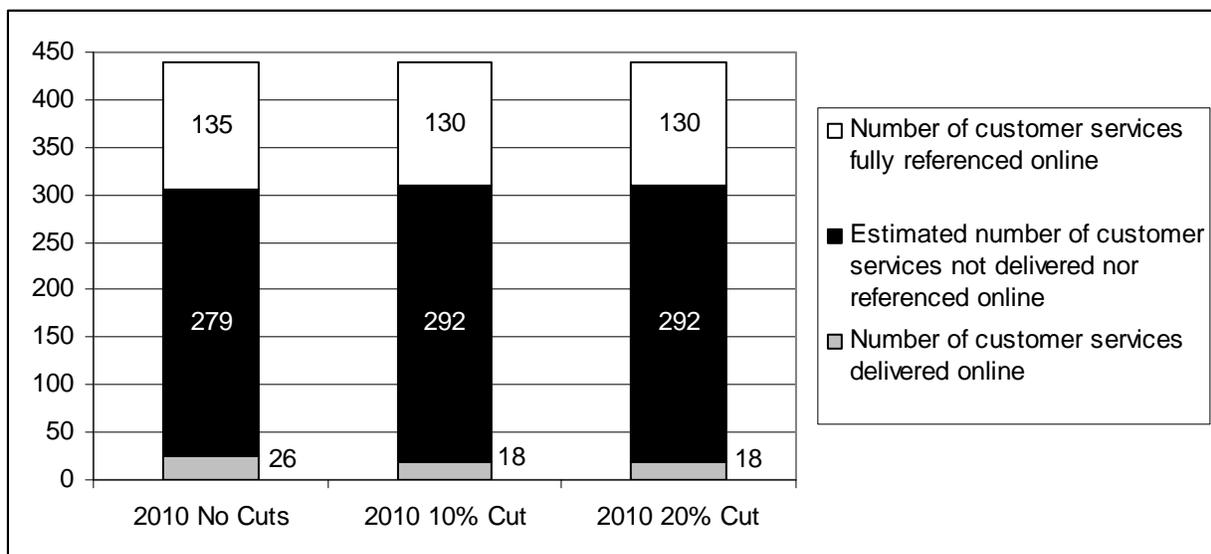
BIS has been showing steady improvement in customer satisfaction. Continued improvement was expected as a benefit of our more strategic focus and improved outsourcing relationship. With the anticipated staff reductions BIS will have insufficient resources to fully implement the business plan and strategic priorities. Of the five categories shown below *Quality of Services*,

*Project Management, 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 very strategic activities which would be reduced to ensure that foundational support activities still occur. In addition, deskside services have a component of BIS responsibility that would also be reduced, resulting in slower response time and lower customer satisfaction.



### E-Government Services

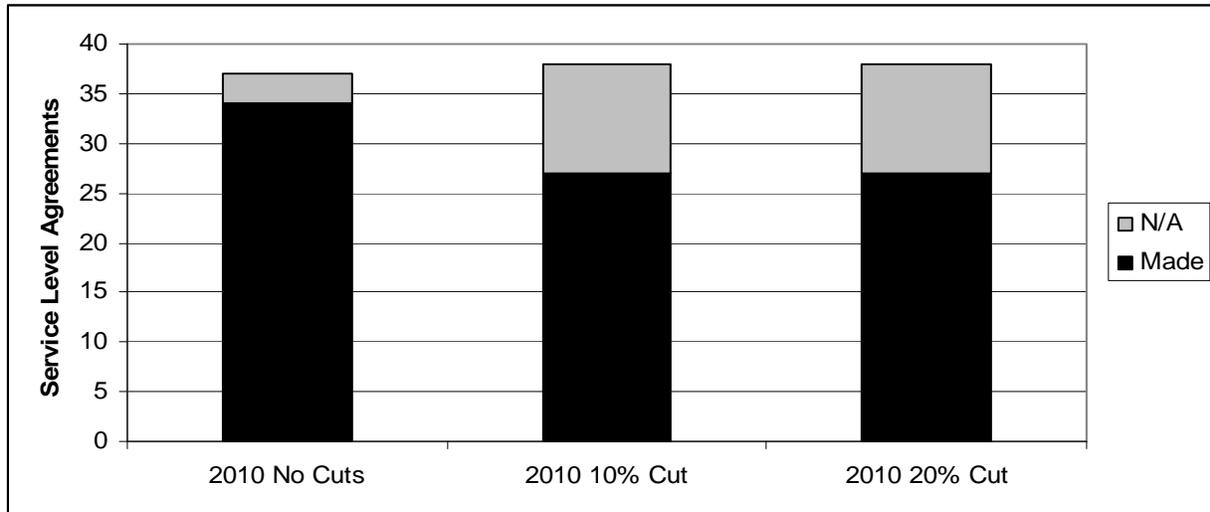
Departments have generally been slow to adopt on-line services for their customers. Two scenarios could occur with the City's budget reductions: 1) departments could see the increased value (reduced cost and improved service) and seek to provide additional services online; or 2) departments could freeze any additional online activities. BIS will have limited ability to implement new online service delivery. Because the services referenced online are completely within the control of the departments a slight increase is anticipated.



### Managed Services

Seven of the 38 Service Level Agreements (SLA) have a BIS dependency component. As such, reductions in BIS staff will limit Unisys' ability to resolve issues in a timely manner. There

is no reason to believe there will be additional outages. However, an outage will result in longer resolution time, employees losing access to critical business systems for longer periods of time, and lost productivity. In addition, budget cuts will also necessitate the reduction in service levels at the service desk. Because the City has contributed to the failure to meet the SLA BIS will be unable to assess the penalty credit and recoup losses on behalf of the City; 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 biggest challenge the City faces in information technology is the enormous appetite of City departments for implementing technology solutions to further their business objectives which puts an untenable strain on BIS' declining resources. Moreover, this appetite is focused solely on the desire/need of that particular department, without considering a citywide perspective. For example, the City has over 1,000 applications – with more being requested everyday. Most of these applications have no direct support funded and general fund resources must be redirected from supporting the rest of the City when issues arise. To address this issue BIS has implemented a project prioritization process. While in its infancy, this will bring the City to a better enterprise-wide strategy.

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 identifies hundreds of potential opportunities to streamline business processes to improve efficiency and customer services, the majority involving technology. BIS does not have the capacity to implement these improvements.

The other significant challenge is the implementation of wi-fi services throughout City departments. For the City to achieve the actual use of the \$1,250,000 wi-fi service commitment departments will need to implement new services, not just replace existing communication devices. Cuts reduce BIS' ability to assist, and departments will be less likely to move forward on new initiatives.

Finally, BIS typically funds enterprise-wide 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.

***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 work requires a collaborative working relationship with entities both internal and external to the City. In the past year a partnership with the Minneapolis Park and Recreation Board to ensure completion of the wi-fi network was developed. BIS' most strategic partnership is with Unisys. Success in this endeavor was recently recognized with the best partnership award from the Outsourcing Institute. Following are just a few examples of the collaborative partnerships in which BIS is currently participating:

- BIS is currently working with Public Works to identify the best distribution of responsibilities around support for cellular service, including ways to reduce total enterprise costs.
- BIS is working with USI *Wireless* to identify opportunities for fuller City utilization of the wi-fi network.
- BIS and Public Works are jointly defining the future public safety camera support; identifying how to best ensure the most effective and cost-efficient support.

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

As is our standard practice, we review the cost effectiveness of programs and the cost / value proposition. For example, BIS recommended a reduced service level for the BIS Service Desk that will save over \$40,000 annually. 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 (5% reduction in all funds)?***

**Five Percent:** To reach the 5% reduction goal of \$1,333,000 BIS will freeze efforts in the business intelligence, e-government, and enterprise information management areas at the current level of support. In addition, BIS will layoff five staff and eliminate three vacant positions. All discretionary professional services and enhancement expenditures will cease. As a result of these cuts:

- outages in network equipment will not be addressed until normal business hours, resulting in possible lost productivity for staff
- existing reporting capabilities will be maintained but no additional reporting capabilities will be supported
  - development of a robust reporting capability for the City requires the creation of the underlying reporting warehouses, requiring specialized skills that BIS has only in limited quantity
  - additional reports can be written from the structure that is currently available, but BIS will not have the resources to develop new reports that utilize information from multiple sources and/or departments.
- projects will move at a slower pace because BIS non-project resources will be reduced, thus restricting project capacity
- support for existing web applications will be maintained, but development of additional services will be dependent upon departments funding hiring of higher-cost outside contractors, working through BIS, to do the development work
- no resources will be available to develop a robust enterprise information management program, limiting the City's ability to share information across departments and with residents

## **FINANCIAL ANALYSIS**

### **EXPENDITURE**

The 2010 budget for this department is \$24.4 million, a 4.4% or \$1 million decrease from the 2009 revised adopted budget. The 2010 budget includes an increase in customer sponsored maintenance contracts of \$234,000 and an increase in the general fund overhead charge of \$239,000. These expenditures are offset by revenues received from the sponsors. There are 80.0 positions in the department, an increase of 3 FTE for application support positions funded by the Finance department and Public Safety departments and a decrease of 1.0 for application support funded by the Human Resources department. Personnel are 32% of the total department budget. The department's contractual expenses are 65% of its budget. The 2010 BIS budget includes a reduction of growth in spending of \$184,000.

### **REVENUE**

With anticipated revenues of \$25.6 million, the BIS budget for 2010 shows an decrease of 2.4% or \$630,000 over the 2009 revised adopted budget of \$26.2 million.

### **FUND ALLOCATION**

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

### **ORIGINAL BUDGET**

The department eliminated 1 FTE to meet the financial direction. The Mayor recommended and Council approved a reduction of \$1.6 million and 11 positions from the current service level for this department. This includes a \$1.3 million reduction to general fund departments and \$325,000 for non-general fund departments. General fund departmental appropriations were reduced to achieve the general fund reduction. During 2009, Council adopted resolution 2009R492 added 1 FTE to BIS for 2009 and 2010 for staff at the emergency operations training center, to be funded by customer departments. Additionally, Council directed the BIS budget be reduced by \$100,000 and not replaced through internal service charges.

The budget for this department includes a \$5,496 increase to General Fund Overhead charges due to the Council's actions to fund two internal audit positions.

### **MAYOR'S REVISED BUDGET**

The Mayor recommended a reduction of \$200,000 on a one-time basis. The department shall meet this reduction through non-personnel savings and explore additional ongoing savings through the restructuring and reduction of existing services in anticipation of the 2011 budget.

### **COUNCIL REVISED BUDGET**

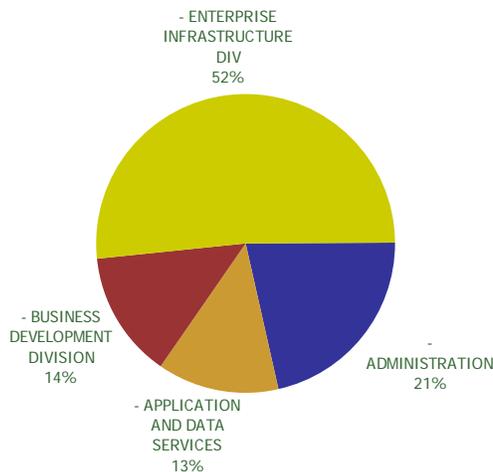
Council approved the Mayor's recommendation.

## BUSINESS INFORMATION SERVICES EXPENSE AND REVENUE INFORMATION

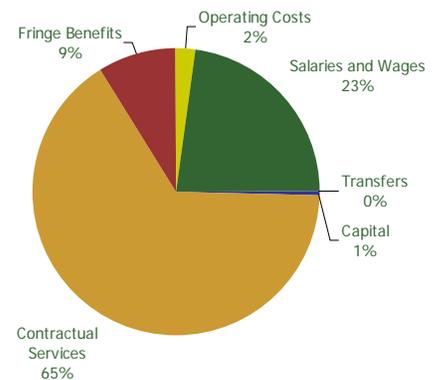
EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
<b>SPECIAL REVENUE</b>						
Salaries and Wages	0	14,419		(50,000)	0.0%	(50,000)
Fringe Benefits	0	573			0.0%	0
Contractual Services	34,409	8,713			0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>34,409</b>	<b>23,705</b>		<b>(50,000)</b>		<b>(50,000)</b>
<b>INTERNAL SERVICE</b>						
Salaries and Wages	5,526,774	4,250,729	6,568,950	5,615,441	-14.5%	(953,509)
Fringe Benefits	1,382,278	1,311,912	2,226,046	2,205,989	-0.9%	(20,056)
Contractual Services	20,858,389	16,740,404	16,035,299	16,001,932	-0.2%	(33,368)
Operating Costs	7,301,967	4,563,661	563,116	532,034	-5.5%	(31,082)
Capital	55,136		127,854	130,412	2.0%	2,558
Transfers	(981,831)				0.0%	0
<b>TOTAL INTERNAL SERVICE</b>	<b>34,142,713</b>	<b>26,866,706</b>	<b>25,521,265</b>	<b>24,485,808</b>	<b>-4.1%</b>	<b>(1,035,457)</b>
<b>TOTAL EXPENSE</b>	<b>34,177,122</b>	<b>26,890,411</b>	<b>25,521,265</b>	<b>24,435,808</b>	<b>-4.3%</b>	<b>(1,085,457)</b>

REVENUE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
<b>SPECIAL REVENUE</b>						
Federal Government	19,897				0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>19,897</b>				<b>0.0%</b>	<b>0</b>
<b>INTERNAL SERVICE</b>						
Charges for Service	29,962,434	27,750,893	26,157,744	25,538,583	-2.4%	(619,161)
Charges for Sales	26,438	20,268	30,000	20,000	-33.3%	(10,000)
Other Misc Revenues	0	4,263			0.0%	0
<b>TOTAL INTERNAL SERVICE</b>	<b>29,988,872</b>	<b>27,775,424</b>	<b>26,187,744</b>	<b>25,558,583</b>	<b>-2.4%</b>	<b>(629,161)</b>
<b>TOTAL REVENUE</b>	<b>30,008,769</b>	<b>27,775,424</b>	<b>26,187,744</b>	<b>25,558,583</b>	<b>-2.4%</b>	<b>(629,161)</b>

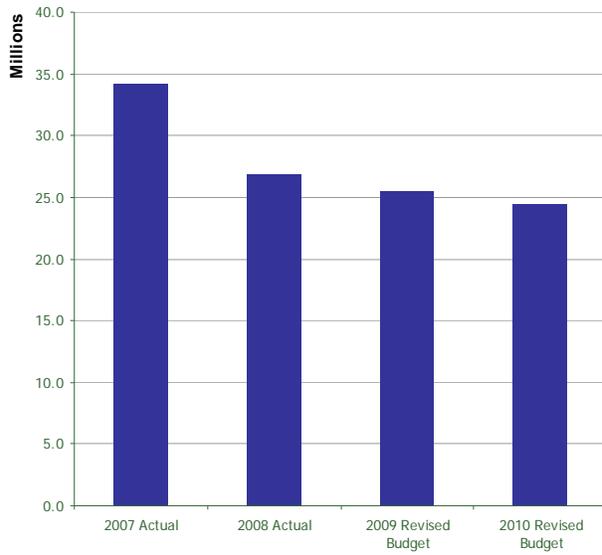
Expense by Division



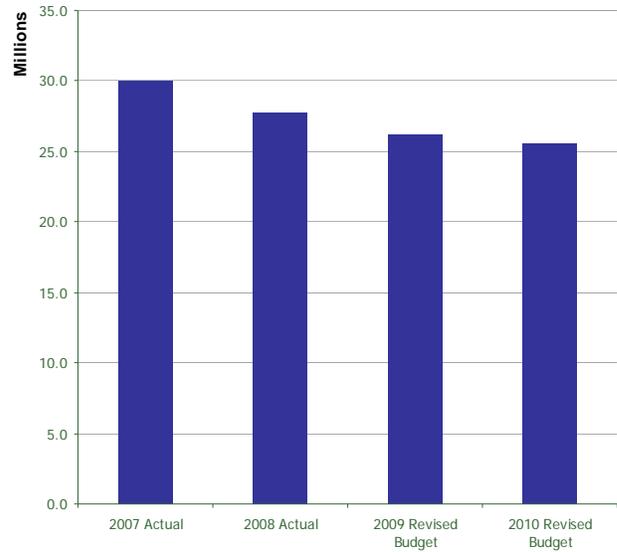
Expense by Category



Expense 2007 - 2010



Revenue 2007 - 2010

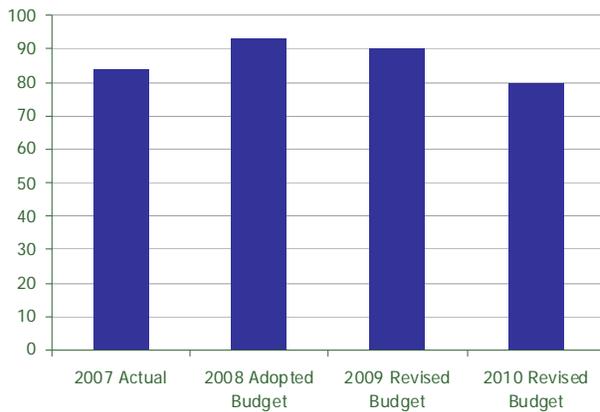


### BUSINESS INFORMATION SERVICES

#### Staffing Information

	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
ADMINISTRATION		11.00	10.00	7.00	-30.0%	(3)
BUSINESS DEVELOPMENT DIVISION		12.00	32.00	24.00	-25.0%	(8)
ENTERPRISE INFRASTRUCTURE DIV		22.00	22.00	19.00	-13.6%	(3)
APPLICATION AND DATA SERVICES	84.00	48.00	26.00	30.00	15.4%	4
<b>TOTAL</b>	<b>84.00</b>	<b>93.00</b>	<b>90.00</b>	<b>80.00</b>	<b>-11.1%</b>	<b>(10)</b>

Positions 2007-2010



Positions by Division

