

BUSINESS INFORMATION SERVICES

Mission Statement:

Provide effective and reliable information services to support the efficient management of City government, provide easy access to City products and services, and allow for measurement of City business units' performance.

Primary Businesses:

- Business Development Services
- Business Support Services

Key Trends and Challenges Impacting the Department:

Trends

1. Wireless Internet Services

Recent technological advancements are enabling telephone, data and radio communication technologies to merge at a rapid pace. In order to meet the ever-increasing city department needs for state-of-the-art communication technologies, the City must be in a position to keep pace with the demand. WiFi wireless technology is emerging in other municipalities as a viable option to meet the increasing institutional, commercial and residential demand for low cost, broadband internet services. This trend increases the urgency for the City to develop a comprehensive citywide wireless strategy and deploy a wireless infrastructure that integrates the City's institutional needs with commercial and residential services.

2. Minneapolis One Call

Citizen Relationship Management and "311" Common Contact Centers are emerging trends in Municipal Government that hold great promise for improving non-emergency service delivery. Minneapolis One Call is an initiative that will make it easier and quicker to access City services, get information and take care of non-emergency police matters. The mechanics of Minneapolis One Call – often referred to as "311" – are simple: one three-digit phone number to request any non-emergency city service or get any information needed from the City. Minneapolis One Call has four key elements:

- The 311 call center. Available 24x7 to take requests for city services or information.
- Enabling technology. A Customer Service Request (CSR) System provided by Motorola allows 311 operators to record each caller's request and route it to the appropriate city department.
- Streamlined processes. The Customer Service Request System uses a computerized service request intake process to ensure that requests for service or information can be handled quickly and efficiently by the appropriate department.
- Monitoring service delivery. Through Minneapolis One Call, City Departments will receive steady, consistent requests in a format that's detailed and specific. The software system makes it easy to trace service request fulfillment progress, respond to requestor status inquiries and assist departmental service delivery supervisors in satisfying those requests.

3. e-Government

The demand for online interactive service delivery continues to be a dominant trend in state, county and municipal government. Because of limited funding, the City's efforts to move City services to the Internet are fragmented and are at this time mostly project driven. An example is the implementation of e-Permitting as part of the Minneapolis One Stop initiative. The implementation is focused on achieving a quick win and will not be sustainable in the long run. BIS needs to focus on developing an overall architecture and standards for e-Government, which allow for a common touch and feel for any online transactions conducted with the City by our citizens and businesses.

Challenges

1. Funding

The five-year BIS budget directive establishes a minimum level of funding barely sufficient to sustain core infrastructure services (Fixed Cost) and could result in annual reductions in applications support and technology management services (Variable FTE Cost). The effect of the current funding restrictions on the BIS operating budget will be an actual decrease of an average 3.5% per year over the next five years. This reduction would translate into an effective headcount reduction (Layoffs) of 5 positions per year, and precludes any possibility of BIS filling the current 25 open positions required to complete the BIS restructuring plan and decimates our ability to provide minimally acceptable service levels. The 5-year Financial Outlook provides an average 2% wage increase over the 5-year period 2004-2008, but also prescribes a \$600,000 General Fund decrease in 2007. With no additional funding BIS will continue to absorb the annual increases in Fixed Operating Cost through delayed staffing decisions and position reductions. If additional funding sources cannot be identified and secured, BIS will be forced to make core service level adjustments beginning in 2006.

Approximately 60% of the current (2004) BIS operating budget is allocated to fixed operating cost obligations. BIS fixed operating costs that are subject to annual increases are as follows:

- Unisys Managed Services (Outsourcing) Contract (49% of budget) – 2.6% increase per year
- Application Software Licenses & Maintenance Contracts (10% of budget) – 10 to 15% increase per year
- Facility Rent (1% of budget) – 10% increase per year

Approximately 29% of the current (2004) BIS operating budget is allocated to fixed/variable labor* costs. There is a 2% annual wage and salary increase built into the five year plan. *Note: The 2% wage increase policy is subject to union agreement. Increases in Health Care costs are unpredictable as well.

2. Asset Life Cycle Management

Business Application Software has a life cycle not unlike other capital assets, however, until now the BIS budgets did not reflect the life cycle maintenance and replacement costs. Currently, when an application software package requires a major upgrade or total replacement due to obsolescence, capital and operating funds must be urgently appropriated for that purpose. The financial community has debated the issue for decades: Should software investments be capitalized or expensed? While GASB-34 provides a reserve mechanism for capital asset replacement there has been no movement in that direction by Finance with regard to Business Application Software. This presents a major challenge for BIS in that mainstream business application software upgrades and replacement eat into already scarce capital funds which should be earmarked for implementing advancements in Information Technology. We must find new approaches to fund the life cycle cost of existing IT infrastructure and business systems such as Managed Services, Application Service Provider Agreements and Public Private Partnerships.

3. Demand Exceeding Supply - Policy driven directives

The demand for IT investment and support services currently exceeds the supply by an ever increasing margin each year based on the current mandated five year plan. Much of the demand is driven by unfunded or marginally funded mandates such as: Minneapolis One Call, Minneapolis One Stop and the Citywide Wireless Initiative. However, the demand for BIS application support services associated with existing and new business applications is increasing as well. This challenge is made even more difficult due to the positive steps currently being taken to centralize business software management Citywide under BIS and hold departments accountable to demonstrate a greater return on enterprise IT investments within their operations.

4. Pay-As-You-Go Funding

Because of limited capital funding BIS continues to encourage departments to fund urgent IT needs on a pay-as-you-go basis. This approach, however, meets with resistance from departments, who feel that it is BIS's obligation to absorb the cost for their respective IT needs. Some progress has been made in this area and BIS will continue to work with Finance and City departments to identify and secure additional funding sources in order to be in a position to assure continuation of minimally acceptable service levels. BIS planned actions for the identification of potential additional funding sources include:

- Resume the Real Time Strategic Forum (RTSF) planning process to strengthen partnerships with City departments.
- Refine the process for analyzing, defining and prioritizing City department IT needs.
- In partnership with Finance and city departments, analyze the option to include the cost of technology as part of the City's fee structure.
- In partnership with Finance and City departments, complete and implement a rate model, which reflects accurate and fair allocations and charges for BIS services. The rate model is to replace the current practice of fund level transfers to the Internal Service Fund.
- Work and consult with departments to better understand the added value the use of information technology can bring to department business performance.
- Partner with departments to leverage technology into tangible cost savings that could be re-invested into technology growth requirements.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

1. Minneapolis One Stop

Assist with business process re-engineering, technology implementation and e-Government web based services in support of the City's Development Workflow initiative. Specific projects included in this initiative are: Accela-Kiva application upgrade, Development Workflow Roadmap, Remote Inspector, e-Permitting, e-licensing and e-Inspections on-line service delivery.

Funding Status: Funded

Funding Source(s): CLIC/department operating budgets/2003 rollover

2. Minneapolis One Call

Implement a CitiSTAT/311 technology solution that is a comprehensive approach to the management of non-emergency services. This will develop consistency, intra-department coordination and accountability when responding to citizens' requests for services while allowing emergency services to focus attention on true emergencies. This includes utilizing technology to streamline services, improve citizen interaction, and decrease the cost of service delivery. This will be a multi-phased development approach. Work will begin this year through BIS, Public Works and Police Non-emergency efforts that focus on the implementation of a Constituent Relationship Management (CRM) tool to achieve the following results:

- Streamline services & track public demands for service;
- Increase department efficiency & accountability (MINSTAT);
- Improve workload tracking, evaluation and reporting;
- Provide senior management with consistent, complete, and accurate data for planning, decision making and prioritization of City efforts.

Funding Status: Pilot Funded

Funding Source(s): Federal grant/Allocation to department operating budgets

Note: Completion of pilot will result in business case showing ROI and identification of funding required to finish and operate the project.

3. City Attorney Case Management System (CMS)

The City Attorney's Case Management system (CityLaw) has reached end-of-life and the lack of automated document coordination, work flow management, performance measurement and retention of information places the Minneapolis City Attorney's Office at risk, hinders law enforcement, and reduces the effectiveness criminal prosecution for the citizens of Minneapolis.

The new Case Management system will address these issues by:

- Analyzing, designing and implementing business processes that streamline the handling of criminal and civil case loads through the City Attorney's Office.
- Providing workload management and service level performance management tools to improve the efficiency of the MCAO (Minneapolis City Attorney's Office) and its staff.
- Managing the flow of information within MCAO and between the MCAO and other City, County, State, and Federal agencies through integrated criminal justice initiatives such as CrimNet and MNCIS.

Funding Status: Funded

Funding Sources: CLIC/County grant/re-direction of security capital

4. Telephone Replacement

The existing telephone systems have reached end of life and must be replaced. Upgrading the City's telephony systems and infrastructure facilities will address public safety and business continuation concerns. The City is dependent on equipment that has an increasing risk of failure due to age. Should the systems fail, the City would be unable to conduct business and could lose critical telephone services between the public and public safety (police, fire, public works and water) as well as with City Departments.

Funding Status: To Be Determined

Funding Sources: Bonds & Telephony Charge-Back Rate Model

5. Wireless Services - Business Plan

Wireless technology and mobile commerce offer tremendous opportunities to provide the right information at the right time and place at the City, from phones to handheld devices, pagers, and cameras. An example is wireless fidelity (WiFi) implemented in the MPD and MFD mobile command units. The City's wireless initiative must also ensure conformance to industry standards and leverage economies of scale through public/private partnerships to minimize the financial exposure.

- a. Develop a comprehensive citywide wireless strategy and business plan that integrates the City's institutional needs with economical commercial and residential broadband internet services.
- b. Engage the private sector through a competitive procurement process (RFP), which in turn requires funding & resources.
- c. Implement a comprehensive WiFi technology based wireless infrastructure at the lowest possible cost to the City through a private sector partner (ISP) willing to bear the build out cost.

Funding Status: Unfunded

Funding Source: Public/Private partnership

6. 9-1-1 Computer Aided Dispatch (CAD) Replacement

The current CAD system was installed in the early 1990's. It is operating on a 486 platform that has reached obsolescence and must be upgraded to today's technology standards in order to avoid a potentially serious outage of the system due to the scarcity of parts and support. Funding for the replacement of this system, which has been an issue in the past, has now been resolved through the availability of \$4.2 million in Homeland Security related grant funding. BIS and MECC are working to define a plan for the implementation of a 911 CAD replacement, which could include collaboration with either Hennepin County, or the City of Saint Paul.

Funding Status: Funded
Funding Source: Federal grant

7. Skills Realignment

In 2003, BIS has embarked upon a paradigm shift by changing the focus from technology management to becoming a value added information service provider that assists City departments in leveraging technology to improve City business processes. In 2005 the department will continue to assess the skills and career interests of its staff and compare them to those required by the new model. Development plans will be prepared and implemented for the staff to enable them to acquire the new skills needed in BIS.

Other Models

8. ASP Model

BIS will actively pursue using Application Service Providers (ASP) or purchase application management services as an alternative to owning an application and providing all support with internal City resources. An ASP could potentially provide higher levels of service and smooth peaks and valleys related to application support costs. Just as City infrastructure has been outsourced, the City must decide if it is necessary to own an application or if it should acquire the functionality of an application as necessary. BIS has taken a first step in this direction with the acquisition of the Motorola CSR application for the Minneapolis One Call (311) initiative. Motorola owns, maintains, hosts and supports the Minneapolis applications. The management of common applications such as human resources, payroll, and finance are other candidates to be considered for outsourcing. For future solutions, BIS will engage in an analysis to determine if an ASP model or application management services are financially viable for select applications. This analysis should be part of the process for acquiring new applications and performing major upgrades on exiting systems.

9. Public/Private Partnerships Model

Through partnerships with other entities, the City can implement a win/win business model that provides improved services for the City and citizens. BIS has successfully leveraged Public/Private partnerships to deploy with minimal financial exposure to the City. Three examples of these partnerships are:

- i-Site - Emergency Response building information program.
The i-Site program uses GIS technology to give first responders immediate access to detailed and accurate floor plan information for high occupancy buildings. I-site is a public/private partnership between the City, the Building Owners and Managers Association (BOMA) and RSP Architects. This significant health and safety measure was implemented with no investment of City funds as a result of this partnership.
- SafeZone - Public Safety wireless surveillance network
SafeZone is a project that is designed to increase the perceived and actual safety of residents, workers and visitors in downtown Minneapolis. It is a multi-faceted approach to safety that involves dramatically improving communication between private security entities downtown by installing security cameras to prevent and detect crime in the downtown area and implementing other strategies that will enhance safety.
- Minneapolis Wireless Initiative
The City's wireless initiative will ensure conformance to industry standards and leverage economies of scale through public/private partnerships to minimize the financial exposure. BIS

intends to implement a Citywide WiFi technology based wireless infrastructure at the lowest possible cost to the City through a private sector partner (ISP) willing to bear the build out cost.

Primary Business: Business Development Services

Description of Primary Business: Business Development Services is focused on the strategic element of BIS, which includes strategic technology and business planning, defining the architecture, and controlling the environment. Business requirements are identified for new initiatives and solutions are managed and delivered, including business process re-engineering. Leveraging enterprise technology investments is a key focus.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
1. Minneapolis One Stop			Assessment, Planning & BPR	Technology Upgrade Implement	Implement
2. Minneapolis One Call			Assessment, Planning & BPA	Select S/W Pilot Project	Implement
3. City Attorney Case Mgmt System			Assessment, Planning & BPR	Select S/W Implement	Implement
4. 911/CAD Replacement			Assessment & Planning	Select S/W Implement	Implement
5. Business Development Projects			50 Projects	68 Projects	60 Projects

Explanation of Key Performance Measures:

1. *Minneapolis One Stop*
In the City, business processes are becoming increasingly complex and interdependent, regulations are changing to meet current demands for safety, and staff turnover creates noticeable gaps in the institutional knowledge of the organization. These factors especially come into play in handling large commercial and multi-use building projects, which have multiple phases and require significant interdepartmental, agency, and customer interaction. The outcome of Minneapolis One Stop is to control the movement of complex and interrelated information from one processing point to another, activating appropriate actions or triggering additional process control requirements.

2. *Minneapolis One Call*
CRM capability will ultimately be available to the enterprise and provide a centralized citizen information repository giving elected officials, department heads and employees a reliable system to monitor a service request through its lifecycle and across departments. The system will also provide integration with key legacy systems (e.g., GIS, KIVA, FISCOL, HRIS) and allow the City to 'close the loop' with citizens through the measurement of customer needs and satisfaction levels. Once citywide adoption is completed, the City will be prepared to launch a 311 system that will focus on providing citizens a single point of contact for all non-emergency services. By participating in a pilot project to implement an enterprise CRM tool, Public Works, the Mayor's Office and the MECC will work with BIS to develop a repeatable methodology to assess and streamline business processes. Additionally, the pilot will enable the City to develop business implementation, integration and maintenance plans for enterprise rollout. The installation of a citywide CRM tool will support the development of MinStat as well as an operational 3-1-1 system for Public Safety and other non-emergency services. The City is in the process for applying for a federal grant that would extend the pilot to include 9-1-1 non-emergency services. The analysis was completed in February 2004 and led to the issuance of an RFP for the selection of a vendor for the acquisition of a CRM product and its implementation. Motorola was selected. BIS completed contract negotiations and the pilot program is under way and is expected to be completed by first quarter of 2005. The primary objective of the pilot is to produce a business case that includes an ROI based cost analysis of the total program, which is to include the identification of funding sources for both implementation and operating costs.

3. *City Attorney Case Management System*
BIS will assist the City Attorney's office in analyzing and redesigning business processes to enable workflow and records management automation efforts and replacement of the existing case management system within the MCAO. This includes implementing caseload management and Service Level tracking of MCAO cases and staff assignments. Streamline information sharing within the MCAO and between the MCAO and other City, County, State, and Federal agencies. Coordinate workflow integration of efforts between the MCAO and various City, County, State, and Federal agencies. Incorporate performance measurement and service delivery management into business processes and the new Case Management business application software solution.

4. **911/CAD Replacement**

The current CAD system was installed in the early 1990's. It is operating on a 486 platform that should be upgraded to today's technology standards. The replacement of this system has been delayed several times over the past 2-3 years due to lack of funding. Opportunities to partner with the Minneapolis Police Department, and the Hennepin County Sheriff's Office, have been seriously considered to share these costs among multiple agencies. The implementation of a 911 surcharge and a \$4.2 million Homeland Security grant will ultimately fund the replacement of this critical system.

5. **Business Development Projects**

BIS manages the delivery of multiple projects that meet a wide range of City department IT requirements. The delivery and execution of a project through various phases of the systems development lifecycle is managed through well-structured, industry standard project management methods. Business Development implements business outcome driven IT solutions on-schedule, within budget and exceeding customer expectations. It develops and integrates solutions to meet unique business requirements and improve citizen access to City services, assures that the customer is satisfied with the solution, and includes user training, final acceptance testing, development of user procedures, and documentation.

Primary Business: Business Support Services

Description of Primary Business: Business Support Services primary focus is to "keep the lights burning." This line of business is focused on the support and maintenance of the City's business applications and infrastructure environments. This includes managing the Managed Services program, the support, maintenance and administration of applications, the City's Web environment and telecommunications infrastructure. Service level agreements are developed and managed with City departments and BIS.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Service Desk Call Volume (Avg) ASA (Average Speed of Answer) 1 st Call Resolution	N/A	N/A	N/A	28,202 50 seconds 96.88%	25,000 60 seconds 85%
Desk Side Services Service Calls H/W MTTR (Hardware Mean Time to Repair) S/W MTTR (Software Mean Time to Repair)	N/A	N/A	N/A	1,612 77.2% 86.0%	1,600 90% 90%
Data Center - Network Availability	N/A	N/A	N/A	99.99%	99.99%
IMAC Volume Turnaround Time	N/A	N/A	N/A	90% 800 89.3%	90% 800 90%
Technology Refresh Desktops Servers Laptops Printers	N/A	N/A	N/A		
Customer Satisfaction Survey	N/A	N/A	N/A	4.6	4.0

Explanation of Key Performance Measures:

Service Desk Average Speed to Answer (ASA) in seconds: The Service Level Agreement (SLA) is an average speed to answer calls to the Service Desk within 60 seconds.

Desk Side Services: The SLAs for desk side software, desk side hardware, and IMACs specify the amount of time required to provide service, for example, resolving hardware problems by the next business day. The SLA is to meet these deadlines 90% of the time. IMACs installs, moves, adds and makes changes.

Data Center & Network: Measures availability from 6 a.m. to 6 p.m. Monday through Friday.

Technology Refresh: Target number of units replaced per year.

Customer Survey Results: These results are based on surveys of customer satisfaction using a five point scale.

Financial Analysis:

EXPENDITURE

The 2005 Business Information Services budget is \$20 million, a 15% increase over the 2004 Adopted Budget, excluding the increase in Capital. Most of the increase is attributable to personnel costs. Two Project Manager positions for the Project Management Division were added to the 2005 Current Service Level. There is also a .75 position increase adjustment made due to an error in the 2004 Adopted Budget level last year.

An increase in contractual services of \$400,000 was added as a result of the forthcoming phone system upgrade for the City. These costs are funded within the BIS rate model. There is also an increase of \$377,000 associated with the new Motorola contract and amendments to the Managed Services contract.

The 2005 budget includes \$13,100 for benefits administration which was centrally budgeted in the past. It also includes \$197,000 to phase in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted in separate agencies. In addition, there's a \$7.5 million allocation from the General Fund for BIS' debt service.

REVENUE

Federal Grant revenue reflects a decrease due to a reduction of One Call/One Stop funds that were provided in 2004. The 457% overall increase in revenue is primarily a result of implementation of the BIS rate model. The rate model created a reclassification of the revenue from *Transfers* (non-operations) to *Charges for Service* (operations).

FUND ALLOCATION

BIS is fully funded through the Intergovernmental Services Internal Service Fund. During 2003, the Geographic Information Services function moved from the General Fund to the Internal Service Fund.

MAYOR'S RECOMMENDED BUDGET

BIS had no additional operating budget requests. The Mayor's Recommended Budget included funding for information technology infrastructure in the BIS capital budget at \$2 million.

ADOPTED BUDGET

The Council adopted the Mayor's capital recommendation and added \$777,000 to the BIS budget in the Intergovernmental Services Fund. The Adopted Budget also included a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

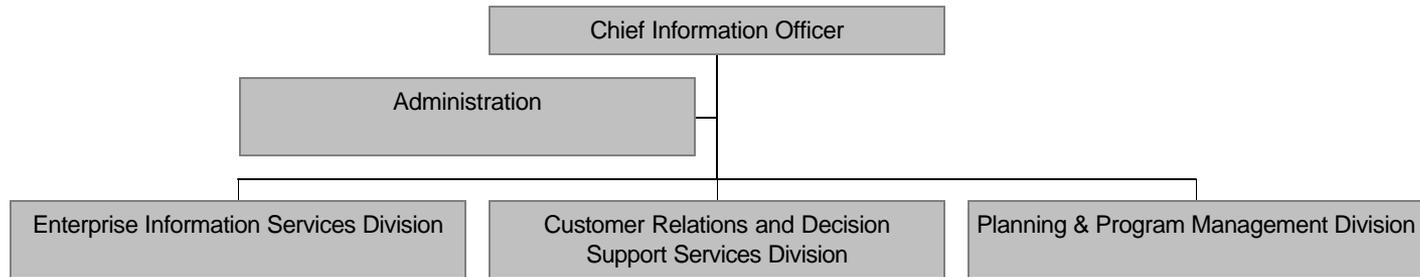
**BUSINESS INFORMATION SERVICES
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	76.85	100.10	78.10	80.85	3.52%	2.75

Target Strategies:

No target strategies were requested for this department.

Business Information Services (BIS) Organizational Chart



- **Web Site Management**
- **Web Application Development**
- **Application Support**

- **Customer Relations**
- **GIS Business Development**
- **GIS Business Services**

- **Architecture**
- **Technology Infrastructure**
- **Program Management**
- **Enterprise Data Management**
- **Managed Services**
 - Data Center & Network Support
 - Desktop & Help Desk Support
 - IMAC Process
 - Facilities & Special Projects
 - Telecom Operations
- **Quality Assurance**
- **Property Application Support**

BUSINESS INFORMATION SERVICES
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	861,744	0	0	0		0
Equipment	49,288	0	0	0		0
Fringe Benefits	83,762	0	0	0		0
Operating Costs	103,181	0	0	0		0
Salaries and Wages	388,584	0	0	0		0
Total for General Fund - City	1,486,559	0	0	0		0
Internal Service Funds						
Contractual Services	9,700,306	11,544,179	11,132,301	12,465,226	12.0%	1,332,925
Equipment	17,183	506,798	0	0		0
Equipment Labor	108,311	88,339	0	0		0
Fringe Benefits	1,000,977	1,068,199	1,260,774	1,505,809	19.4%	245,035
Operating Costs	1,990,038	890,581	443,035	454,521	2.6%	11,486
Salaries and Wages	4,485,388	4,406,063	4,738,298	5,718,803	20.7%	980,505
Total for Internal Service Funds	17,302,203	18,504,159	17,574,408	20,144,359	14.6%	2,569,951
Special Revenue Funds						
Contractual Services	222,954	99,275	0	0		0
Equipment	0	0	0	0		0
Fringe Benefits	933	8	0	0		0
Operating Costs	21,300	0	0	0		0
Salaries and Wages	5,132	0	0	0		0
Total for Special Revenue Funds	250,319	99,282	0	0		0
Total for BUSINESS INFORMATIO	19,039,081	18,603,441	17,574,408	20,144,359	14.6%	2,569,951

BUSINESS INFORMATION SERVICES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	10,422	0	10,000	0	-100.0%	-10,000
Charges for Service	92,363	0	0	0	0.0%	0
Contributions	354,370	0	0	0	0.0%	0
Franchise Fees	2,549,515	0	0	0	0.0%	0
Other Misc Revenues	20,850	0	0	0	0.0%	0
Rents	21,343	0	0	0	0.0%	0
Total for General Fund - City	3,048,863	0	10,000	0	-100.0%	-10,000
Internal Service Funds						
Charges for Sales	0	34,889	10,000	10,000	0.0%	0
Charges for Service	4,047,521	2,690,338	3,321,941	18,614,503	460.4%	15,292,562
Gains	0	8,640	0	0	0.0%	0
Interest	-114	0	0	0	0.0%	0
Other Misc Revenues	2,996,132	252,882	0	0	0.0%	0
Total for Internal Service Funds	7,043,538	2,986,749	3,331,941	18,624,503	459.0%	15,292,562
Special Revenue Funds						
Federal Government	250,319	99,282	0	0	0.0%	0
Total for Special Revenue Funds	250,319	99,282	0	0		0
Total for BUSINESS INFORMATION SERVICE	10,342,719	3,086,031	3,341,941	18,624,503	457.3%	15,282,562