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A resolution abandoning, partially abandoning and transferring $2,000,000 in funds from various General Fund accounts/projects and Capital Improvement Fund projects to the Information Technology operating department for remediation

From:
Steve Cox, Chief of Staff/Chief Administrative Officer

Summary:
After an assessment in early 2014, the Information Technology (IT) operating department identified several initial short-term remediation and support activities required to provide a safer, more efficient and more effective environment for all its customers. In short, the City must begin the process of redesigning and rebuilding its network to address several issues, and ensure the City has proper support in place for its key IT systems (both core systems and business systems including the financial system). The network redesign/rebuild is necessary as the current network is architecturally broken - the network has not been working reliably and several resources appear to be at capacity - there has been a high frequency of failure, and currently there are multiple single points of failure (which must be reduced to near zero to provide the level of safety and reliability the City requires). This assessment of the current network architecture has been confirmed by Gartner, ISC, Cisco TAC, and Hogan Lovells.

The proposed rebuilding or remediation entails work in the following areas: network mitigation (phase 1, including BURA - backup, recovery and archive), data center relocation (including virtual servers and storage), enterprise IT security program, IT service management (including process development, 24x7 service desk and tool support), PeopleSoft (financial system) mitigation. Effective implementation of additional IT mitigation projects are dependent in part on the currently unfunded design, mitigation and remediation efforts listed above. Additional IT priority projects include: Active Directory redesign, Office 365 implementation, other major business IT projects, disaster recovery planning, and needed telephone-related system changes.

Attached is an eRemediation Roadmap (Exhibit A) which charts the IT department's proposed major projects for the next 18 months, as well as a table (Exhibit B) that details the funding required by project, by major line item. While some projects may not initially appear to be as "critical" as others, these projects become critical as the City modifies its network hardware and configurations, while continuing to provide needed core functionality. For example, as the current critical network remediation proceeds, the current Microsoft Exchange server upon which the City's email and calendar system is housed will need to be removed. Therefore, the City must either stand up another Exchange server or move to Office 365. The City's IT team determined that Office 365 is the preferred solution as it will reduce future infrastructure requirements and provide several additional capabilities, including the capability needed for e-discovery compliance. Effective implementation of

Office 365 requires proper training and configuration. In addition, while funding for Cisco telephone system technical support - e.g. patches and help desk - was not requested for 2014, the IT department has now determined that the needed support has lapsed. It is critical to address this, as emergency operations (and other City operations) require a well-functioning and vendor supported telephone system.

After careful consideration, and with two budgeted draws (for Parks watering and emergency road repairs) from the unrestricted fund balance, it was determined that an additional draw from the unrestricted fund balance is not preferred. Consequently, the Executive Branch identified a number of projects that likely will not be completed during 2014 due to scheduling issues, other resource opportunities or constraints, and redirection, which could be abandoned or partially abandoned to provide the required funding in 2014. Therefore, in accordance with Section 1.5.107 and 108 of the City Code, the Executive Branch recommends City Council approval of the attached resolution to abandon or partially abandon projects and to transfer appropriation authority to the IT operating department in order to fund the required remediation. Again, the Executive Branch is not proposing to abandon these projects in their entirety, rather it is proposing to "abandon" the funding set aside in the 2014 budget for these projects and will prioritize the funding again in the 2015 budget. At this time, there is an high probability that Academy Blvd. road repaving (overlay portions), court management system, and Enterprise Land Information System projects would not spend the entirety of their 2014 budget during 2014. As such, this request will not cause significant further delay to the projects, but rather will result in a better alignment of budget and expenditures.

Previous Council Action:
On December 18, 2013, City Council approved the original 2014 budget per Ordinance No. 13-77. The original General Fund expenditure appropriation was $249,291,056. On April 22, 2014, City Council approved a supplemental appropriation from unrestricted fund balance in the amount of $2,000,000 for emergency road repairs per for emergency road repairs per Ordinance No. 14-24.

Background:
A 2012 study revealed IT system weaknesses. During 2013, the Chief Information Officer launched the IT Strategic Plan. Also during 2013, key management positions were filled including Enterprise Architect and Security Manager.

Financial Implications:
With the abandonment or partial abandonment of projects, the remediation can be achieved within budget without impacting the projected end-of-year unrestricted fund balance.

Board/Commission Recommendation:
N/A

Stakeholder Process:
N/A

Alternatives:
N/A

Proposed Motion:
Move approval of the attached resolution to abandon or partially abandon projects and to transfer

appropriation authority to the IT operating department in order to fund the required remediation.

N/A