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Budget and Finance Committee
c/o Erika Pulst
City Clerk, Room 395
City Hall
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INFORMATION TECHNOLOGY AGENCY - 2012-13 PROPOSED BUDGET

The Mayor's proposed budget for the Information Technology Agency (ITA) for FY 2012-13 was developed in concert with the department and represents everyone's best effort to minimize service impacts. On paper, the department's budget increased by \$3.1M, to \$81.5M. However, this increase is due to the inclusion of the Financial Management System project, which previously was an off-budget item. When this \$5M project is factored out, the department's budget reflects a relative decrease of \$2M; when the absorption of the cost of last year's unfunded furlough days is factored in, the department's true budget decreased by \$6.7M.

In terms of positions, the budget proposes a net reduction of 41 positions; all 25 of ITA's vacancies, 11 filled positions resulting in layoffs, and 5 transfers of staff and functions to other departments. **The department is not requesting any adjustments to the proposed budget;** however, we have clarified our anticipated service levels for next year in the Impacts of Proposed ITA Position Reductions, attached.

2012-13 Mayor's Proposed Investments in ITA

In spite of the severe resource constraints, there are some notable inclusions which we would like to highlight:

Financial Systems Technology - The proposed budget includes funding to replace aging hardware and software for three of the City's main financial systems, the Supply Management System (procurement), the PAYSR (payroll) system, and the LATAx (business tax) system.

For SMS, this budget request will provide funding for expert PeopleSoft technical assistance to resolve serious system-wide issues, such as those identified during year-end processing tasks that stop purchasing and payment transactions from interfacing to FMS, and the purchase of 2 new servers to replace 3 aging servers to bring SMS production servers to the acceptable technology level, save energy, and provide redundancy.

For PAYSUR, the budget funds completion of new legally mandated and cost saving functionality for the Controller's Office and Personnel Department, as well as replacement of aging application servers which will improve performance and allow for an increase in the number of users that can access the core system beyond the current 1,500.

For LATAX, ITA and the Office of Finance plan to further extend web functionality to services currently provided by their public counters, with the goal of having more than 50% of all public interactions handled by web applications. This new functionality would include on-line information and tutorials, waiver and refund requests, foreign language translation of regulations, appointment scheduling, self-serve address changes, etc.

Network Infrastructure - \$1M in MICLA funding is proposed for the fifth year for a continuous phased replacement program for the routers and switches which comprise the City's internet communications network. This funding is critical to preserving city internet service, ensuring security, and maintaining manufacturer warranty support. To date, 50% of the City's 1,078 switches and 525 routers have been replaced. This funding will replace another 9%.

Public Safety Systems Support - Regular position authority and funding is provided for 3 formerly UASI grant funded positions that have become integral to the daily support of public safety networks and applications.

311 Customer Relations Management System - \$1M in TDA funding is provided for the initial phase of design and development of a new CRM system. This system will be phased in over a multi-year process and provide the public with full access to city services using multiple methods of communication including telephone, web portals, mobile devices, email, and social media. The system will provide the city with a modern solution that will unify city service request systems and make them centrally available to both city staff and the public in general.

The above are vital investments that will facilitate benefits to the public and to our customer departments. The budget also features some changes that will have service level impacts for these same entities.

Challenges

We fully appreciate that drastic reductions have hit nearly every City department, particularly those that are General Funded, and embrace the expectation that staff must be highly efficient to compensate for having fewer employees. However, there are some staffing statistics that illuminate the specific difficulties faced by this department.

In the last 5 years, ITA has gone from 760 full-time employees to 483 with this proposed budget, a reduction of 36.5%. We have lost 40% of our infrastructure staff who install, monitor and maintain servers for systems citywide, 30% of our communications electricians, the workers who install, service and repair the City's public safety communications infrastructure and the internal City phone and data systems, and 34% of our applications development staff who program and support SMS, LATA, PAYSR and now FMS. In this same period, ITA has lost a full 42% of our communication engineers, 311 operators, Ch 35 technicians, and administrative staff.

While the department has taken measures to optimize and reduce the city's infrastructure portfolio through server virtualization and providing e-mail through a vendor-supported off-site service in an effort to reduce some of the support required, these efforts have provided only minor mitigation for the loss of 40% of the people who formerly maintained this equipment.

Similarly, though ITA has diligently worked to reduce phone lines, consolidate communications on less expensive PBX lines, and replace aging infrastructure to minimize repairs and outages, this has only minimally offset the 30% fewer staff performing this work.

The 36% decline in applications staffing has come at a time when the department developed and implemented an entirely new financial system, while simultaneously maintaining SMS, LATA and PAYSR. In addition, though the City creates new systems, we have difficulty migrating completely off the old systems resulting in ITA maintaining dual systems. This is the case for the Financial Management System and its predecessor FMIS, as well as PAYSR and the legacy payroll system. This antiquated technology is both difficult and costly to support and an indication of the struggle within the City to adopt business process improvements and / or changes.

Compounding the above diminishment of ITA's workforce, the lack of hiring, ERIP, staff transfers to other City Departments and other attrition has accelerated the graying of ITA's workforce. While in some instances, it is an asset to have experienced staff, it also reduces the number of staff trained in contemporary skills and programming languages. Consequently, we foresee a large number of retirements in the near future as **53.1% of our staff is over 50**, and particularly in the Communication Electrician

series where 62.1% is over 50. This presents a major issue for department operations and succession planning.

The issue of service levels and the impact of staffing reductions are sometimes difficult to articulate, in the somewhat invisible world of technology systems where electronic access to information is thought of as a basic utility type of service comparable to water and power. The ITA supports systems in the City that are relied upon on a daily basis by police officers, fire fighters, housing and building inspectors, tax collectors, public works engineers, budget staff, policy and legislative support staff and the myriad of other functions in the City delivering core services to the businesses and residents of Los Angeles.

Much of what ITA staff does is behind the scenes work, allowing City staff to seamlessly access information on wireless mobile devices, phones, desktop computers and data networks. For example, programming changes to systems that City employees use daily, backing up data and upgrading software, running filtering programs to prevent virus spread, installing security software, responding to helpdesk calls, and performing preventative maintenance on 911 dispatch and citywide phone systems.

All of these functions and more will be impacted by the reductions. The actual manifestation of the impact will be delays in responding to service requests, prolonged downtime of systems, including the internet, servers may go down as a result of viruses going unchecked, outages may be experienced in public safety systems, or unresolved freeze ups of systems such as SMS. With that said, the ITA remains committed to supporting public safety as its' number one priority and will provide the best possible services that resources permit.

ITA is committed to working with the Mayor's office, City Council and departmental stakeholders to develop a strategic plan for IT that ensures the stability, quality, and efficiency of the City's IT systems and services. That plan will identify mitigation strategies to reduce risk for replacement of obsolete technologies and infrastructure in the manner that follows industry best practices and is most cost-effective. We take pride in our role and the services we provide to the city and work hard to provide value to the taxpayers.

Respectfully submitted,



Randi Levin
General Manager

Attachment

Budget and Finance Committee
April 23, 2012
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cc: Neil Guglielmo, Mayor's Office
Matthew Rudnick, Mayor's Office
Miguel Santana, CAO
Ray Cirrana, CAO
Melissa Fleming, CAO

Impacts of Proposed ITA Position Reductions

As noted previously, 25 of the 41 positions deleted from ITA's budget are vacant, and though the department has struggled to make do without these staff, there are detrimental impacts caused by their deletion. Three of the vacancies to be cut were so critical that they were approved for hiring by the Managed Hiring Committee. While the impacts that follow focus primarily on the elimination of filled positions, we have included the most critical vacancies as well.

FILLED POSITIONS

3 Communication Electricians - The most critical of the specific impacts attributable to the position reductions will be the change in the LAPD and LAFD dispatch center staffing from two workers per shift to one. The layoff of Communication Electricians will result in the loss of three employees who work in the 24/7 LAPD dispatch operations. The department is presently only able to meet the two person per shift model by expending overtime for shift coverage every time an employee calls in sick, takes vacation or misses work for any reason. With these further cuts, there is insufficient staff to even schedule two person coverage, let alone provide it when staff is unexpectedly out.

Information Systems Manager (ISM) I – The reduction will eliminate one of the senior staff that provides direct project and business analysis services for major Fire Department systems - EMSS, NFIRS, CTS/DTS/LTS, as well as in the development of Consolidated Fire Inspection and Permit system. This 24/7 position has frequent interaction with City department management and lead technical staff in the LAPD and LAFD, for the support and maintenance of critical public safety systems, such as NECS, CCAD, EMSS, NFIRS, VMS/Inspection and Permits and their interaction with other major systems such as PaySR and State/Federal law enforcement systems.

2 Graphic Designers – The Department has 2 Graphic Designers and both work on website design for elected officials and supporting lacity.org. These deletions will eliminate all internal capabilities to do visual design for websites. Elected Officials will need to fund contractors if this service is required.

Senior Clerk Typist - The impact of losing this filled position will be a 50% decrease in the number of Citywide Communication Service Requests to install new or move existing phone and data lines that will be processed as staffing for the financial component of this function is cut in half.

Clerk Typist - This filled position processes all office supply orders in ITA and the SMS procurement entries for approvals. The impact will be delays in procurement processing, less clerical support, copying, scanning and documentation management in the ITA admin support area, requiring higher level staff to perform clerical functions.

2 Systems Analyst IIs – Elimination of these two filled positions reduces application support for Council, Mayor, City Attorney and Controller and cuts one of the seven positions providing Citywide helpdesk support.

Senior Systems Analyst II - This filled position performs project management tasks including budgeting, contractor billing oversight and other project administration tasks for the SMS project. The loss of this position will require technical staff to spend time on administrative functions.

VACANCIES

Communication Electrician - This recently vacant CE position was to be stationed at the Mt Lee public safety communications hub; it was approved to fill by Managed Hiring.

2 Database Architects (DBA's) - Two vacant positions in PAYSR are eliminated. This will require that the 4 remaining DBAs be placed in a shared pool for all financial systems (FMS, SMS, PAYSR, LATA), and the DBA work assignments will be distributed as the work comes in. The impact and risk for systems that are still in development or in phases of change is that an additional amount of time will be required to resolve support issues. The systems may not be available, performance may degrade, mandated changes may be delayed, and may fall behind in supported software versions, limiting the City's ability to get vendor assistance.

2 Systems Programmer I's – These two vacant positions provide support to the elected officials. These reductions will result in delayed ITA response for requests for blackberry assistance, less support available for the continued development of the Mayor's contact management system, and decreased ITA availability to support a variety of elected official applications.

Programmer Analyst III- This vacant position provides PAYSR project support. Elimination of this position that was approved in Managed Hiring will slow down and section performance issues to all requests for changes, updates, problem analysis, customer support and progress reports to the new FMS system.

Programmer Analyst IV - Eliminating this vacant position that was approved in Managed Hiring will reduce staff in the elected official support group for Blackberry mobile devices, and support for the council voting system, the automated Council voting system, and overall elected official support. This will impact the speed and overall competence of this service.