

**ARLINGTON COUNTY FISCAL AFFAIRS ADVISORY COMMISSION REPORT TO  
THE COUNTY BOARD – FY 2011 PROPOSED BUDGET**

<b>BUDGET AREAS:</b>	<b>Department of Technology</b>
<b>FAAC REVIEWERS:</b>	<b>Brent Radcliffe, Shawn Poulin &amp; David Kinney</b>
<b>DATE OF FAAC ACTION:</b>	<b>March 15, 2010</b>

**Department of Technology**

The Arlington County Department of Technology provides leadership when the County invests in new technology. It provides technical support and maintenance of the County’s e-government programs and critical technology utilized by the County. DTS also secures, sustains and refreshes both the County’s computing infrastructure such as the intranet and internet and is working to provide for a wholly government owned fiber communications network.

The FY 2011 proposed expenditure budget for the Department of Technology Services is \$13,720,782, a two percent decrease from the FY 2010 revised budget.

**Eliminate funding for support for the Sharepoint system (\$18,000) and consultants assisting with Rhythmix (web content management system) (\$30,000).**

Both Sharepoint and Rhythmix are older systems that are still in use by the Department of Technology. While there might be some short run issues that DTS staff will have to work through these cuts were proposed with the future in mind.

IMPACT: The Sharepoint reduction will result in longer issue resolution time and less technical support, and will be felt primarily by Department of Technology Services staff. The Rhythmix reduction will limit the ability to design and support new County website initiatives, as staff will troubleshoot issues as they arise.

**Furlough contract staff for one week (\$55,000).**

IMPACT: Some projects may be delayed. Furloughs will be staggered to minimize the impact.

**Eliminate the Information Systems Analyst position in the Core Business Applications Division (\$127,808, reduces 1 FTE).**

This position can be reduced because the ACE system is now online. However, the Department of Technology is slated to lose thirty-two contractors because both ACE and the networked telephone programs are no longer in development. The Chief Information Officer has stated his concern about maintaining ACE with his expected staffing levels.

IMPACT: Workload will be redistributed resulting in slower enhancements to existing ACE modules and increased response time to questions and issues.

**Renegotiate contract for hosting services with Oracle to achieve the same service for lower costs (\$60,000).**

Last year the Department of Technology systematically inspected its contracts to request price reductions or holds and achieved a savings of approximately \$60,000. This year they are asking for price holds on those contracts. The exception to this is the contract with Oracle which ends this year. This contract is currently in renegotiation and there is the possibility that these savings may not be realized.

IMPACT: None.

**Convert two contractors to County staff positions (\$50,000, adds 2 FTEs).**

The Department of Technology has one of the largest concentrations of contractors in the County Government. In technology services there is constant movement between contractors and salaried staff. Each year the Chief Information Officer reassesses the cost benefit analysis of contractors compared to staff positions for a variety of jobs.

IMPACT: Reduced costs to the County. Adds 2.00 FTEs.

**Reduce funding for operating equipment by 21% in the Telecommunications and Network Engineering Program (\$95,567).**

IMPACT: None. New equipment under warranties will temporarily result in a reduced need for equipment replacements.

**FAAC Recommendation #1:** FAAC recommends that the county board authorize the elimination of funding for support for the Sharepoint system and consultants assisting with Rhythmix (web content management system).

Yes 12 No 0 Abstain 0

**FAAC Recommendation #2:** FAAC recommends that the county board authorize the Furlough contract staff for one week.

Yes 11 No 1 Abstain 0

**FAAC Recommendation #3:** FAAC recommends that the county board authorize the elimination of the Information Systems Analyst position in the Core Business Applications Division.

Yes 12 No 0 Abstain 0

**FAAC Recommendation #4:** FAAC recommends that the county board authorize the renegotiation of the contract for hosting services with Oracle to achieve the same service for lower costs.

Yes 12 No 0 Abstain 0

**FAAC Recommendation #5:** FAAC recommends that the county board authorize the conversion of two contractors to County staff positions.

Yes 7 No 1 Abstain 4

**FAAC Recommendation #6:** FAAC recommends that the county board authorize the reduction in funding for operating equipment by 21% in the Telecommunications and Network Engineering Program.

Yes 12 No 0 Abstain 0

In addition to the reductions for FY 2011 there are a variety of future budgetary issues facing Arlington County with respect to technology.

### **Coordination with Schools**

The Department of Technology Services currently hosts Arlington County Government's email service. The Chief Information Officer is conducting a cost benefit analysis of outsourcing the hosting of Arlington County Government's email service. Outsourcing email hosting service would provide county employees with significantly more email storage space, better ability to collaborate on documents, and e-discovery of emails. A larger more definitive annual cost in the form of a contract should be partially offset by less cost in both storage and employee time spent on internal hosting issues. A larger gain could be found outside of the Department of Technology with a rise in employee productivity.

Email hosting service is an area where the County and Schools may find savings through cooperation due to possible economies of scale when negotiating a contract. FAAC supports the county and schools as they work together on this issue and coordinate technology services. Other areas for possible cost savings through cooperation include co-location of hardware and co-purchasing of software licenses.

### **Comcast Network Agreement Ending**

The free network connection among County and School facilities provided by Comcast is set to expire in FY 2013, current estimates are that the cost for this service, if purchased from Comcast, would be \$3.6 million per year for the County and \$1.2 million for the Schools. This estimate is approximate and could be lower depending on the progress the County and Schools make on installation of our own fiber network.

The County can reduce the estimated costs associated with the Comcast service by implementing their own fiber optic network. The key to this network is Arlington County and Schools ability to build a core loop of installations utilizing the County's fiber optic network by FY 2013. The question of funding this project will be part of the CIP process for FY 2011.