

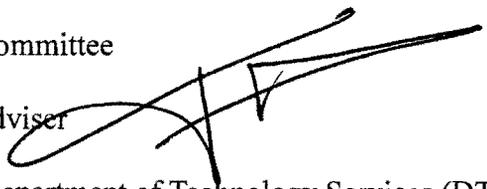
MFP Committee #2
April 15, 2010

Worksession

MEMORANDUM

April 13, 2010

TO: Management and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: FY11 Operating Budget for the Department of Technology Services (DTS),
Section 38 in the Executive's Recommended Budget

The following are expected to attend:

E. Steven Emanuel, Chief Information Officer, DTS
Ivan Galic, Dieter Klinger, Max Stuckey, Keith Young, Helen Ni, Mitsuko Herrera, DTS
Alex Espinosa and John Cuff, Office of Management and Budget (OMB)

The relevant pages from the recommended FY11 operating budget are attached on ©1-7.

Summary of Staff Recommendations

1. Accept the Executive's recommended budget of \$26,303,520, effectively reducing the budget from FY10 levels by \$5,540,670 and reducing the number of positions from 165 to 140.
2. Request the dissemination of the DTS service level impacts to all departments receiving IT services from DTS in FY11, and receive reactions of expected increased costs or reduced service levels in other departments because of DTS suggested reductions. Distribute such impacts to relevant Council committees which oversee user department budgets and explore tradeoffs between DTS reductions and necessary increases or service reductions in other budgets. If significant, these impacts may require an additional Committee worksession to review budget impacts.
3. Request results from the internal email and word processing Cloud Computing analysis as soon as practical, along with expected cost savings and service improvements.
4. Request the completion of the Risk Analysis undertaken by the CAO's office relating to IT systems to reflect the impact of the recommended budget cuts.

Overview

For FY11, the Executive recommends total expenditures of \$26,303,520, down \$5,540,670 or 17.4% from the FY10 approved budget of \$31,844,190. Workyears will decrease 22.3%, from 137.0 to 106.5, and the number of positions will decrease by 25, from 165 to 140. Personnel costs account for 54.4 % of the budget and operating expenses account for the remaining 45.6 %. See the following table for detail and a comparison with last year’s investments in DTS.

	FY10 Budget	FY10 Estimated	FY11 CE Recommended	Change from FY10 Operating Budget to FY11	
				Amount	%
Expenditures	\$31,844,190	\$30,374,880	\$26,303,520	-\$5,540,670	-17.4%
Positions:					
Full time	163	163	138	-25	-15.3%
Part time	2	2	2	0	--
Total positions	165	165	140	-25	-15.2%
Workyears	137.0	137.0	106.5	30.5	-22.3%

The reductions in DTS support are significant. An equally onerous picture emerges when the cutbacks are presented at the division level. The following Table shows this set of recommended actions on personnel by division:

Work Years by Program	FY10	FY11	CHANGE	% CHANGE
ESOD	44.9	37.0	-7.9	-17.6%
ETSD	22.5	12.0	-10.5	-46.7%
EASD	37.5	34.3	-3.2	-8.5%
EPMD	14.7	9.4	-5.3	-36.1%
CIO Office	17.4	13.8	-3.6	-20.7%
Cable Office	19.2	25.8	6.6	34.4%
Totals	156.2	132.3	-23.9	-15.3%

Note: Division summaries:

ESOD=Enterprise Systems and Operations Division, responsible for maintaining a secure and reliable computer-based hardware, software and data infrastructure.

ETSD= Enterprise Telecommunications and Services Division, responsible for providing reliable, modern, and integrated communication services.

EASD=Enterprise Applications and Solutions Division, responsible for delivering and maintaining solutions through core business, web based applications, and GIS, and oversight on the DCM and Help Desk programs.

EPMD=Enterprise Project Management Division, providing technology solutions planning and implementation.

The degree of reductions in the Telecommunications division is particularly troublesome; unless the division was operating at surplus capacity for the last few years, the ability for any division to sustain cuts of 46.7% and continue to operate should be questioned. This concern will be expanded and discussed fully in a later section of the packet.

In order to measure the impact of this investment, select “program performance measures” are given for each of DTS’s divisions. When personnel cuts as deep as those recommended by the Executive are undertaken, the expectations are that those measures will experience significant reductions. The table below details all outcome-related metrics and their levels for FY10 and FY11. However, most show little degradation, raising questions of lack of linkage between the budget recommendations and the evaluation system of performance metrics.

DTS Program	Measure	FY10 level	FY11 projected level
ESOD	Out of service minutes	745	775
ETSD	Days to complete requests	8.3	8.5 ¹
EASD	Sec to serve web page	.54 sec	.54 sec
	Help desk requests resolved on 1 st call	98%	95.5%
EPMD	Project delays beyond baseline	8.0	0.0 ³
	% budget over baseline	0	0 ³
CIO Office	# High Risk vulnerabilities per system	29.96	28.00
Cable Office ²	None		

Notes

¹ There is an anticipatory note on ©2 that this number will have to be modified (but is not yet modified) to 10 days.

² Cable Office, although a division of DTS, does not appear in the budget of DTS, but as part of the overall Cable plan expenditures.

³ These zeroes might be typographical errors in the Executive’s proposed budget on ©4, as 0% delays and 0% budget overruns are difficult to accomplish, especially in a cutback climate.

Personnel

The current organizational structure of DTS, personnel assignments in each division and office and Executive recommendations for changes in the personnel complement of each is provided on ©8-13.

The following Table details the changes in Personnel using membership in the County's unions as a discriminant; it is based on a complete analysis of all personnel suggested changes from the office of Legislative Oversight (OLO).

Technology Services	JOB CLASS TITLE	FULL-TIME POSITIONS	PART-TIME POSITIONS	FILLED POSITIONS	VACANT POSITIONS	SALARY GRADE	REPRESENTED
	MANAGER III	-1	0	-1	0	M3	
	ADMINISTRATIVE SPEC III	-1	0	0	-1	23	
	INFO TECHNOLOGY PROJ MGR	-1	0	0	-1	40	
	SR INFO TECHNOLOGY SPEC	-10	0	-5	-5	28	
	INFO TECHNOLOGY SPEC III	-2	0	-2	0	26	
	INFO TECHNOLOGY SPEC I	-2	0	-1	-1	20	
	COMMS EQUIP TECH II	-2	0	-1	-1	20	x
	TELECOMM TECHNICIAN	-1	0	-1	0	18	x
	SENIOR ENGINEER	-3	0	-3	0	27	x
	OFFICE SERVICES COORD	-3	0	-3	0	16	x
Totals		-26		-17	-9		

Nine of the 26 reductions analyzed by OLO come from represented ranks, while 17 come from non-represented groups. The reason that the numbers do not precisely match the numbers in the recommended budget (which suggests a reduction of 25 positions) is detailed in the following note from OLO:

Please note that the spreadsheet only includes positions targeted for elimination by the Executive as part of the FY11 RIF. For most departments, the number of positions eliminated will not align with the change in positions from FY10 to FY11 shown in the budget book. This is because the budget book shows net changes in positions including those resulting from causes other than the RIF (such as charges to the CIP and the shifting of positions from one department to another). In addition, several department budgets also include new position creations that affect the net departmental position totals.

Detailed questions arising from the Executive's recommended budget

In order to better understand the Executive's strategy behind the severe cuts recommended, a series of questions were prepared for DTS leadership. They were as follows:

- 1. Provide a chart of all position eliminations, and the expected impact of these eliminations on service levels and the readiness and competitiveness of DTS.**
- 2. Is DTS prepared to offer services to other departments and agencies? Interagency phone service (VoIP) and call center operation, virtualization, and data center consolidation have all been discussed in the ITPCC program. Are there legal, financial or administrative impediments, and if so what? After 30 position reductions (the number includes 4 WYs representing the impact of furloughs), does DTS have the human resource infrastructure to be the anchor of a Shared Services/Consolidation effort across agencies? Or is the strategy to depend on other agencies or the private sector for IT services over time?**

3. **Charge back approach has been requested for FiberNet - are there other areas in inter-agency collaboration that can benefit the MCG "bottom line"? OMB may have something to say on this topic as well.**
4. **How will MC311 and ERP technology be maintained over time? MC311 has its own budget in the PIO program, but licenses and software support are shown in DTS budget. What is the governance and funding proposed for managing the projects, and what is the explicit DTS role in each?**
5. **Is there expectation that Cloud Computing might be deployed for basic functions such as word processing, email and spreadsheets for "non-power" users in FY11?**

The DTS responses are on ©14-31. What follows are Council staff reactions and comments on the DTS responses.

Question 1: Provide a chart of all position eliminations, and the expected impact of these eliminations on service levels and the readiness and competitiveness of DTS.

The individual responses can be summarized in two sentences: existing responsibilities will be re-assigned to existing staff, and the levels of DTS support will be negatively impacted. The challenge is that reducing DTS levels of support will directly impact user departments that may have mission-critical requests sidelined for lack of DTS support. This indirect impact of DTS cost reductions on other departments' ability to operate is not yet fully visible. As a simple example, DTS details on ©13 the 6,800 portable radios in operation in various departments. Wait times for walk-in service will "significantly increase", meaning that fire trucks, police vehicles and management communication devices may become idled while waiting for a backlog queue to be worked down. Unlike other departments, where service level impacts are primarily contained to the departments under consideration, DTS's service cuts impact other departments and will cause a cascade of negative impacts which may cost more than the short-term benefits of the cuts suggested by the Executive. No such interrelationship analysis is offered by the Executive's budget, and the Committee should explore the topic with the OMB and DTS representatives.

Unfortunately, the question the Council staff asked regarding specific impacts of recommended reductions has not been answered. Lacking such a detailed analysis, it is vital to appreciate that the DTS service reductions may have negative effect on many other agencies, and to **ensure that all MCG departments have been apprised** of the reduction in IT services they expect. To quote from the CIO's response on ©18:

"...Many of the impacts will manifest increases in response time, unplanned outages will take longer to address, new technology adoption will be limited and slow and many existing services will be challenged by limited or no redundant expertise."

Depending on the definition of words such as "longer to address" and "challenged", this effect could bring undesired consequences on departments other than DTS. For example, planned system upgrades and fixes currently performed over the weekend could be shifted to regular office hours to reduce short term costs of overtime, but this could wreak havoc on departmental productivity through shutdowns and slowdowns of connectivity and IT s system availability during working hours.

There is no comprehensive Risk Analysis based on the degree and the expected impact of each system weakness on other systems available in the IT domain. Lacking such analysis, the staff reductions suggested by the Executive are difficult to understand and thoroughly appreciate. Given the difficult financial situation that the County is facing, the CIO statement that "the risk can be managed" under the

proposed resource reductions must be the only measure of guarantee given the Committee, and the Executive's recommendations are reluctantly recommended for adoption.

Question 2: Is DTS prepared to offer services to other departments and agencies? Interagency phone service (VoIP) and call center operation, virtualization, and data center consolidation have all been discussed in the ITPCC program. Are there legal, financial or administrative impediments, and if so what? After 30 position reductions (the number includes 4 WYs representing the impact of furloughs), does DTS have the human resource infrastructure to be the anchor of a Shared Services/Consolidation effort across agencies? Or is the strategy to depend on other agencies or the private sector for IT services over time?

The CIO's response is on ©16-18. The question of who will lead an interagency sharing effort appears unanswered, and understandably so because of resource cutbacks. However, action is needed if the severe budget cutbacks are to be kept from harming the robust IT workplace that is proudly the County's standard of excellence, but is also expected by all employees and residents in this era of technology. Two medium-term strategies are open to the county for such an outcome. To consolidate:

- more of county departmental IT services under DTS; under this scenario, the DTS budget would be increased while departmental IT budgets are decreased, and the net impact should be a reduction in overall technology service cost. This alternative has been discussed by the Committee in the past, and the reaction from the Executive branch has been muted. Perhaps the time is nearing when the benefits outweigh the disadvantages of such an approach. This year, one small step is recommended in the budget: an OMB IT analyst position has been shunted to DTS to perhaps pilot this concept. DTS may want to comment on this interpretation of the personnel shift and offer a longer range perspective.
- IT functions across agencies; one of nine subcommittees under the CAO's Cross-Agency Resource Sharing initiative (CARS) is explicitly tasked with exploring this option (see ©32-34), but no recommendations are available for FY11 budget consideration.

Question 3: Charge back approach has been requested for FiberNet - are there other areas in inter-agency collaboration that can benefit the MCG "bottom line"? OMB may have something to say on this topic as well.

The answer from the CIO on ©18 leaves much unsaid, and provides little information that can help alter the budget figures this year. There appears to be a reluctance to explore this idea, although it could have short-term benefits:

- > in terms of inter-agency fund transfers;
- > in the Maintenance of Effort discussions as it would properly show in-kind payments of value being transferred from the County to the School system; and
- > of possibly encouraging other departments and agencies to properly value the benefits of DTS services.

The Committee may want to schedule a separate discussion on this topic on structure fiscal flows that might better support the DTS resource requirements across the enterprise.

Question 4: How will MC311 and ERP technology be maintained over time? MC311 has its own budget in the PIO program, but licenses and software support are shown in DTS budget. What is the governance and funding proposed for managing the projects, and what is the explicit DTS role in each?

The manner in which the Executive has chosen to portray the project costs of MC311 spread across multiple budgets makes it difficult to answer a simple question: “How much will the County invest in MC311 in FY11?” While the answer to the question must be made explicit in time for the MC311 budget review later this month, nevertheless, having individual elements of the project found in the DTS operating budget, in the CIP Tech Mod budget, in the Enterprise Fund, and in the PIO’s operating budget makes it difficult to manage the total investment in an efficient manner. For this reason, the ultimate governance model is of high importance to the Committee and should be pursued with diligence. In the meantime, the CIO’s answer states that DTS is responsible for the licenses necessary for operating MC311 programs, but that in future years, this responsibility may expand to include additional tasks.

Question 5: Is there expectation that Cloud Computing might be deployed for basic functions such as word processing, email and spreadsheets for “non-power” users in FY11?

According to the DTS response on ©25, Cloud Computing is already utilized in Montgomery County and is bringing good benefits. However, the answer to the direct question posed appears to be no. The CIO states that the migration of basic functions such as word processing and email to a Cloud Computing environment will be “researched” throughout FY11. It should be noted that there are two drivers that should suggest a more aggressive look at this technology:

- > the continuing fiscal challenge, and the fact that significant savings in licensing fees, and possibly staffing costs and mobility empowerment are possible through Cloud Computing
- > the market is dramatically changing, with many large users (including federal agencies and major jurisdictions such as Washington, DC and Los Angeles, CA) adopting Cloud Computing in basic services.

A report released earlier this month “Saving Money through Cloud Computing”, Brookings Institute, April 2010, contains the following description of Los Angeles’ adoption of GoogleApps for their basic services:

E-mail Service in the City of Los Angeles

In 2009, the city of Los Angeles decided to move e-mail service for its 30,000 employees from Novell’s Groupwise onto cloud file servers operated by Google. The \$7.5 million contract provided five years of e-mail services for city employees at an average cost of \$50 per employee per year. During City Council consideration of the bill, critics worried about security and reliability, especially for law enforcement agencies such as the Police Department (Sarno, 2009a). Google promised to store city data on its secure “Gov Cloud” platforms that are maintained within the continental United States and operated by individuals who have passed rigorous background checks. The company also agreed to provide financial credits to the city if the system was down in excess of service levels agreed to in the e-mail contract.

An analysis undertaken by City Administrative Officer Miguel Santana (2009) for the City Council found that the five-year costs of running the Google system would be \$17,556,484, which was 23.6 percent less than the \$22,996,242 for operating GroupWise during that same period. The Google estimate included three pieces:

- 1)\$10,664,445 for system applications, implementation, a required Internet update, two file servers, and four personnel positions necessary to run the system,
- 2)\$907,913 for GroupWise e-mail licenses and software for 2009-10 during the transition to Google, and
- 3)\$5,984,126 for Microsoft licenses for selected employees who would continue to use Office software during the five-year period.

If the city had chosen to stay with its current Groupwise e-mail system, the costs would include:

- 1)\$15,459,438 for GroupWise licenses, upgrades, system applications, 90 file servers, and 13 staff positions, and
- 2)\$7,536,804 for Microsoft Office licenses.

As far as personnel savings, the city would need nine fewer people in its information technology department as a result of the transition to the Google cloud. However, the Los Angeles Information Technology Agency (ITA) initially requested that the nine people whose jobs no longer were needed for e-mail operations be retained for use on other technology projects. But the City Administrator turned down that request and ITA agreed to eliminate the nine jobs over a period of time.

For the 88 file servers no longer needed to support e-mail, ITA decided to redirect 60 to replace obsolete servers in city government. Currently, the city of Los Angeles has 245 file servers that are five to 10 years old and therefore in need of replacement. Typically, the city spends \$1 million a year to purchase 52 new and replacement file servers. ITA agreed to forego new file server purchases with the move to the cloud.

While this is a case study of one jurisdiction, the benefits from such Cloud Computing deployments in basic services such as Word processing and E-Mail are clear, and should no longer be the topic of research but of careful implementation strategy development. As DTS explores additional Cloud Applications in FY11, the Committee should remain supportive of this new technology and encourage its rapid adoption.

Additional Reductions and New Directions

There are no additional reduction strategies recommended by Council Staff in this budget. DTS has absorbed the reduction of 25 positions and other cost reductions in non-personnel costs, and hopes to maintain service (according to their own claim) at acceptable levels. However, the potential to use DTS cutting edge solutions and strategies in areas other than the DTS budget is present and underutilized. Examples of such strategies are:

- the expansion of the use of the DTS data centers, where virtualization technology has developed documented savings of \$2m/year over the last 5 years;
- the more robust and aggressive use of the DCM-managed Help Desk (rather than the use of decentralized staff resources by various MCG departments);

- a more creative use of the leadership and expertise in GIS technology to serve all County departments and tax dollar- or rate-funded agencies through innovative organizational structures such as a GIS utility.

The difficulty is that such savings would involve cross-departmental and cross-agency budget discussions and decisions (and, in many cases, different Council committees with oversight for the different departments and agencies) at a time when resources are scarce and managers are reluctant to innovate new ideas. The ITPCC has been asked to support such concepts through their support of the Cross-Agency Resource Sharing (CARS) initiative and may have ideas to contribute.

At a time of severe revenue losses, the options for decision-makers are limited and painful. This is where IT can make a difference. Through automation and empowerment of residents, a well-constructed County IT strategy can introduce new ways of service delivery, and allow for personnel cost reductions while maintaining service levels. In order to achieve this, however, the investments made in technology must be strong and sustained, and the impulse to reduce them should be tempered by a realization of its salutary effect on operating budgets of all other departments and agencies.

Experiences from other jurisdictions and governments suggest that the next few years will be difficult everywhere. A certain number of initiatives are common to many governmental strategies:

- A citizen, rather than departmental, orientation
- Aggressive use of Public-Private Partnerships
- Increasing use of Cloud Computing and mobility solutions
- Business Process Re Engineering in user departments
- Openness of governmental data towards residents
- An emerging E-Gov platform for e-citizens (with all assumptions regarding digital inclusion that it presumes)

DTS has developed an Enterprise Technology Strategic Plan which addresses several of these initiatives. However, this budget recommendation does not allow an easy confirmation of strategic direction, nor indicate which of these new initiatives are undertaken. In FY12, with the CARS initiative ready to deliver suggestions, it is hoped that the DTS budget presentation will be more aligned to the Strategic Plan and include outcomes that are in line with the elected leadership's hopes and aspirations.

Technology Services

MISSION STATEMENT

The mission of the Department of Technology Services is to use information technology to enable our employees to provide quality services to our citizens and businesses, deliver information and services to citizens at work, at home, and in the community, and increase the productivity of government and citizens.

BUDGET OVERVIEW

The total recommended FY11 Operating Budget for the Department of Technology Services is \$26,303,520, a decrease of \$5,540,670 or 17.4 percent from the FY10 Approved Budget of \$31,844,190. Personnel Costs comprise 54.4 percent of the budget for 138 full-time positions and two part-time positions for 106.5 workyears. Operating Expenses and Capital Outlay account for the remaining 45.6 percent of the FY11 budget.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **A Responsive, Accountable County Government**
- ❖ **Safe Streets and Secure Neighborhoods**

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY10 estimates incorporate the effect of the FY10 savings plan. The FY11 and FY12 targets assume the recommended FY11 budget and FY12 funding for comparable service levels.

PROGRAM CONTACTS

Contact Helen Ni of the Department of Technology Services at 240.777.2807 or John Cuff of the Office of Management and Budget at 240.777.2762 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Enterprise Systems and Operations (ESOD)

This program designs, implements and maintains a secure and reliable computer-based hardware, software, and data infrastructure for County business systems and County staff. The Division manages enterprise-wide systems including enterprise messaging system, enterprise directory system, enterprise file and print system, enterprise image archiving, enterprise anti-malware systems, mainframe system, and hundreds of enterprise servers (web, application, database). ESOD manages and provides support for the Public Safety Data System. ESOD also operates the enterprise data center, a 24-hour-a-day service supporting enterprise and department servers, the mainframe and network control center equipment.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Number of Minutes Identified Information Technology Systems are Out of Service ¹	4,238	2,039	745	775	775
Number of Email Messages Sent and Received by County Email Account Holders (in millions) ²	68.7	71.6	75.0	80.0	85.0
Number of Email Messages Filtered or Blocked from Entering County Email Account Holders Inboxes (in millions) ³	43.1	265.2	280.0	295.0	310.0

¹ Two major mainframe/network outages occurred in FY08 and FY09, which contributed to the higher numbers of out-of-service minutes for actual FY08 and actual FY09.

² Number of messages sent versus received is approximately the same and ratio has not changed with growth of messages

³ The number of messages blocked has increased dramatically and is projected to increase at a faster pace than legitimate messages.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	13,424,480	44.9
Add: TechMod - Annual Software Maintenance Cost for Additional Oracle Software Purchased in November 2009	225,000	0.0
Add: TechMod - MC311 Annual Software Maintenance Cost for the Siebel 311 Software Purchased in February 2009	181,000	0.0
Increase Cost: MC311 Software Maintenance & Support	175,000	0.0
Increase Cost: Creation of a Program Manager II in Data Center of Enterprise Services & Operations Division (ESOD) by Abolishment of a Sr. IT Specialist Position	107,270	1.0
Increase Cost: ERP Software Maintenance - ESOD	58,800	0.0
Add: TechMod - MC311 Annual Software Maintenance Cost for the Siebel 311 Software Purchased in October 2009	23,980	0.0
Increase Cost: MC311 On-Call Support	20,000	0.0
Add: TechMod - MC311 Avaya software	16,580	0.0
Reduce: Enterprise IT Equipment replacements	-60,000	0.0
Eliminate: IT Specialist I - ESOD Data Center team	-61,880	-1.0
Reduce: Contractor support	-80,000	0.0
Decrease Cost: Abolishment of a Sr. IT Specialist Position to Create a Program Manager II in Data Center of Enterprise Services & Operations Division (ESOD)	-102,610	-0.8
Eliminate: Sr. IT Specialist - ESOD server team	-102,610	-0.8
Shift: Transfer Sr. IT Specialist from Technology Services to State's Attorney's Office	-124,910	-1.0
Eliminate: Abolish one (1) Sr. IT Specialist Position on the Server Support team in the Enterprise Systems and Operations Division (ESOD)	-125,140	-1.0
Shift: Convert IT Expert to full-time ERP Position	-135,650	-0.8
Decrease Cost: Software maintenance, licenses, contractor support	-225,200	0.0
Eliminate: Sr. IT Specialists - ESOD core systems team	-278,030	-2.0
Eliminate: On-site Support for Computer Aided Dispatch (CAD)	-320,000	0.0
Reduce: Mobile Data Terminal replacements	-400,000	0.0
Reduce: Contractor staffing in the Enterprise Systems and Operations Division (ESOD)	-955,550	0.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-145,880	-1.5
FY11 CE Recommended	11,114,650	37.0

Enterprise Telecommunications and Services (ETSD)

This program provides reliable, modern, and integrated communications services to enable network data, voice and other solutions for County Government departments and Agencies. PBX Telecommunications Services is responsible for the programming, operation and maintenance of the County's PBX telephone network and all associated adjuncts, i.e., Voicemail, IVR, Contact Centers and Cabling infrastructure. Radio Communications Services is responsible for the operation and maintenance of the County's 800 MHZ radio and mobile communications systems which predominantly supports public safety agencies. Network Solutions & Services is responsible for providing Wide Area Network (WAN) management and design services to County government, FiberNet connectivity to other agencies, and wireless connectivity. Some costs associated with FiberNet/WAN are charged to the Cable Fund in accordance with the cable franchise provision to support installation, construction, operations, and maintenance of the County's FiberNet and associated network equipment.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Average Number of Workdays to Complete Telecom Requests (in Workdays) ¹	-	6.97	8.30	8.50	8.30

¹ To compensate for the proposed decrease of 1 Telecom Specialist position and 1 Communications Technician position in FY11; modifications to the SLA process will be done to increase the service request completion time to 10 business days, which should enable the workload to be managed in a timely manner.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	5,542,610	22.5
Increase Cost: Software maintenance and power supply	75,300	0.0
Add: Bi Directional Amplifier for the Rockville District Court - master lease payment	7,130	0.0
Decrease Cost: Motor Pool Rate Adjustment	-23,430	0.0
Decrease Cost: Decrease cost by eliminating Datalink T1 lines	-40,000	0.0
Eliminate: Telecommunications Specialist - PBX, Enterprise Telecommunications & Services Division	-61,880	-1.0
Eliminate: Abolish one (1) Office Services Coordinator (OSC) position (grade 16) within the Division Chief's Office of the Enterprise Telecommunications Services Division (ETSD)	-75,900	-1.0
Eliminate: Abolish one (1) Telecommunications Technician on the PBX Services Team in the Enterprise Telecommunications Services Division (ETSD)	-79,000	-1.0
Eliminate: Reduction of one (1) Admin Specialist (grade 23) - ETSD	-79,250	-1.0

	Expenditures	WYs
Eliminate: Abolish one (1) Office Services Coordinator (OSC) position (grade 16) in the Radio Communications Services Team	-87,220	-1.0
Eliminate: Reduce one (1) Communications Service Technician position on the Radio Communications Services (RCS) team within the Telecommunications Services Division (ETSD)	-93,390	-1.0
Eliminate: Abolish one (1) IT Specialist III on the Network Solutions & Services Team in the Enterprise Telecommunications Services Division (ETSD)	-118,230	-1.0
Reduce: Reduce Public Safety Communications System (PSCS) Voice Radio Maintenance	-150,000	0.0
Eliminate: Three Communication Systems Engineer positions in the Radio Communications Services (RCS) team	-390,440	-3.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-83,960	-0.5
FY11 CE Recommended	4,342,340	12.0

Enterprise Applications and Solutions (EASD)

This program delivers and maintains solutions through core business, web based applications and geographic information services; and provides oversight for the Desktop Computer Modernization (DCM) program and the County's Help Desk. The Application Development and Integration team supports the County's electronic government initiative to include website management. Electronic government seeks to provide cost-effective services at greater convenience to residents and employees through the use of modern web technologies. The Enterprise System Services team is responsible for supporting the enterprise software applications which are used throughout the County Government (e.g. FAMIS/ADPICS). This includes applications maintenance, upgrades, phase out and replacement; and ensuring applications are adapted to conform to changes in the County's hardware and software environment. The Geographic Information Systems team designs and implements applications for County departments, designs and develops custom maps and web-based mapping applications, maintains the accuracy and currency of the Montgomery County Street Centerlines database and the Geographic Base Files (GBF/DIME) and related data layers, and participates in the development and maintenance of the enterprise planimetric and property databases. The Information Technology Help Desk Services team provides IT support directly to departments and employees.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Average Number of Seconds to Serve a Web Page (in seconds)	-	0.61	0.54	0.54	0.54
Percent of DTS Help Desk Requests that are Resolved on the First Call (%)	94.1	95.2	98.0	95.5	95.5

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	6,063,920	37.5
Shift: IT position from Office of Management and Budget	126,550	1.0
Increase Cost: ADT: Software License and Maintenance Fees	30,000	0.0
Increase Cost: ESS: Legacy Tax Assessment System Support	17,600	0.0
Decrease Cost: Decrease GIS computer supplies acquisitions	-10,000	0.0
Eliminate: Abolish one (1) IT Specialist I position on the Application Development and Integration team (ADT) within the Enterprise Applications and Solutions Division (EASD)	-87,350	-1.0
Reduce: Professional consultant services on the Application Development and Integration team (ADT) within the Enterprise Applications and Solutions Division (EASD)	-100,000	0.0
Eliminate: Annual licensing for enterprise digital aerial photographs (Pictometry)	-115,000	0.0
Reduce: Abolish one (1) Sr. IT Specialist Position on the Enterprise Systems Services (ESS) team within the Enterprise Applications and Solutions Division (EASD)	-141,660	-1.0
Eliminate: Sr. IT Specialist position (grade 28) supporting County's new Enterprise Resource Planning (ERP) system	-143,570	-1.0
Decrease Cost: Software maintenance for the County's enterprise payroll/personnel management information system.	-186,440	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY10	-260,000	0.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-143,650	-1.2
FY11 CE Recommended	5,050,400	34.3

Enterprise Project Management (EPMD)

This program provides leadership, strategies for the development and delivery of County technology solution planning and implementation for both County staff and residents. The Division acts as the first step to improving project return on investment (ROI) and fosters a successful project outcome through the establishment and use of a strong Project Management Methodology (PMM). The Division manages both Enterprise Architecture and Enterprise Strategic Planning to ensure cost-effective Countywide IT investment. The Project Management Office (PMO) is responsible for developing the PMM, maintaining the PMM based on continuous feedback/lessons learned, project quality assessment guidelines and conducting project reviews to ensure the PMM is being followed, as well as contract management services. The project execution group, the Project Requirements Management Team is responsible for managing major multi-million dollar cross-departmental projects while adhering to the PMM. Project Management

certification is encouraged to promote continuous growth and demonstration of project management best practices.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Project Schedule Performance (average days past baseline)	NA	NA	8.0	0	0
Project Budget Performance (% over baseline)	NA	NA	0	0	0

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	3,119,820	14.7
Decrease Cost: SAO Case Management System (CMS) Hardware and System Maintenance	-21,900	0.0
Eliminate: Abolish one (1) Office Services Coordinator (OSC) position (grade 16) within the Enterprise Services & Strategic Planning Office of the Department of Technology Services (DTS)	-101,280	-1.0
Eliminate: Abolish one (1) Sr. IT Specialist Position (Report Writer) on the Integrated Justice Information Systems (IJS) project team within the Project Requirements & Management Team (PRMT)	-109,630	-1.0
Eliminate: Abolish one (1) Manager III that manages the Project Requirements and Management Team (PRMT)	-124,180	-1.0
Eliminate: Abolish one (1) Sr. IT Specialist position in the Project Management Office (PMO) team within the Enterprise Services and Strategic Planning Office (ESSP)	-130,210	-1.0
Eliminate: Abolish one (1) Sr. IT Specialist Position on the Project Requirements & Management Team (PRMT). Within the Enterprise Services & Strategic Planning Office	-140,700	-1.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-38,310	-0.3
FY11 CE Recommended	2,453,610	9.4

Office of the Chief Information Officer (CIO)

This program provides technology leadership, allocation of resources, setting policy and guiding all programs of the Department and County government Information Technology initiatives including Technology Modernization Program. The Management Services is responsible for centralized administrative support functions in the areas of budgeting and financial processing, human resources management, procurement, facilities management, front desk support and event planning. The Enterprise Data Security Services provides enterprise risk assessments, data security consulting, policies, and procedures to the County government including incident response. These services also include identifying and then monitoring and managing the tools required to protecting the County from data security threats, and providing security training to County employees through an Enterprise Security Awareness program. This program also implements and maintains a comprehensive County-wide security program to protect County information and all related systems that support its operations and assets.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Average Number of High Risk Vulnerabilities per County System	NA	NA	29.96	28.00	28.00

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	3,693,360	17.4
Increase Cost: Retirement Adjustment	124,390	0.0
Increase Cost: Group Insurance Adjustment	76,060	0.0
Decrease Cost: Printing and Mail Adjustment	-2,010	0.0
Decrease Cost: Decrease Security Team H/W Upgrades	-27,000	0.0
Eliminate: System Security Plan Development/Project Management	-50,000	0.0
Decrease Cost: Printing, paper and mail reduction	-64,660	0.0
Reduce: Reduce IT Training within the Department of Technology Services	-74,810	0.0
Eliminate: Abolish one (1) IT Specialist III Position on the Data Security team within the CIO/CTO's Office	-116,540	-1.0
Eliminate: Charges from County Attorney's Office	-133,260	-1.0
Eliminate: PSCS IT Project Manager - Chief Technology Officer's Office	-158,270	-1.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	75,260	-0.6
FY11 CE Recommended	3,342,520	13.8

BUDGET SUMMARY

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	13,689,026	13,383,480	13,364,170	10,715,900	-19.9%
Employee Benefits	3,912,487	4,101,310	3,885,180	3,583,830	-12.6%
County General Fund Personnel Costs	17,601,513	17,484,790	17,249,350	14,299,730	-18.2%
Operating Expenses	14,670,997	14,239,100	13,065,230	11,883,490	-16.5%
Capital Outlay	117,487	120,300	60,300	120,300	—
County General Fund Expenditures	32,389,997	31,844,190	30,374,880	26,303,520	-17.4%
PERSONNEL					
Full-Time	165	163	163	138	-15.3%
Part-Time	2	2	2	2	—
Workyears	146.0	137.0	137.0	106.5	-22.3%
REVENUES					
Sundry/Miscellaneous	55,744	0	0	0	—
County General Fund Revenues	55,744	0	0	0	—

FY11 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY10 ORIGINAL APPROPRIATION	31,844,190	137.0
Changes (with service impacts)		
Add: TechMod - Annual Software Maintenance Cost for Additional Oracle Software Purchased in November 2009 [Enterprise Systems and Operations (ESOD)]	225,000	0.0
Add: TechMod - MC311 Annual Software Maintenance Cost for the Siebel 311 Software Purchased in February 2009 [Enterprise Systems and Operations (ESOD)]	181,000	0.0
Add: TechMod - MC311 Annual Software Maintenance Cost for the Siebel 311 Software Purchased in October 2009 [Enterprise Systems and Operations (ESOD)]	23,980	0.0
Add: TechMod - MC311 Avaya software [Enterprise Systems and Operations (ESOD)]	16,580	0.0
Add: Bi Directional Amplifier for the Rockville District Court - master lease payment [Enterprise Telecommunications and Services (ETSD)]	7,130	0.0
Eliminate: System Security Plan Development/Project Management [Office of the Chief Information Officer (CIO)]	-50,000	0.0
Reduce: Enterprise IT Equipment replacements [Enterprise Systems and Operations (ESOD)]	-60,000	0.0
Eliminate: IT Specialist I - ESOD Data Center team [Enterprise Systems and Operations (ESOD)]	-61,880	-1.0
Eliminate: Telecommunications Specialist - PBX, Enterprise Telecommunications & Services Division [Enterprise Telecommunications and Services (ETSD)]	-61,880	-1.0
Reduce: Reduce IT Training within the Department of Technology Services [Office of the Chief Information Officer (CIO)]	-74,810	0.0
Eliminate: Abolish one (1) Office Services Coordinator (OSC) position (grade 16) within the Division Chief's Office of the Enterprise Telecommunications Services Division (ETSD) [Enterprise Telecommunications and Services (ETSD)]	-75,900	-1.0
Eliminate: Abolish one (1) Telecommunications Technician on the PBX Services Team in the Enterprise Telecommunications Services Division (ETSD) [Enterprise Telecommunications and Services (ETSD)]	-79,000	-1.0
Eliminate: Reduction of one (1) Admin Specialist (grade 23) - ETSD [Enterprise Telecommunications and Services (ETSD)]	-79,250	-1.0
Reduce: Contractor support [Enterprise Systems and Operations (ESOD)]	-80,000	0.0
Eliminate: Abolish one (1) Office Services Coordinator (OSC) position (grade 16) in the Radio Communications Services Team [Enterprise Telecommunications and Services (ETSD)]	-87,220	-1.0
Eliminate: Abolish one (1) IT Specialist I position on the Application Development and Integration team (ADT) within the Enterprise Applications and Solutions Division (EASD) [Enterprise Applications and Solutions (EASD)]	-87,350	-1.0
Eliminate: Reduce one (1) Communications Service Technician position on the Radio Communications Services (RCS) team within the Telecommunications Services Division (ETSD) [Enterprise Telecommunications and Services (ETSD)]	-93,390	-1.0
Reduce: Professional consultant services on the Application Development and Integration team (ADT) within the Enterprise Applications and Solutions Division (EASD) [Enterprise Applications and Solutions (EASD)]	-100,000	0.0
Eliminate: Abolish one (1) Office Services Coordinator (OSC) position (grade 16) within the Enterprise Services & Strategic Planning Office of the Department of Technology Services (DTS) [Enterprise Project Management (EPMD)]	-101,280	-1.0
Eliminate: Sr. IT Specialist - ESOD server team [Enterprise Systems and Operations (ESOD)]	-102,610	-0.8

	Expenditures	WYs
Eliminate: Abolish one (1) Sr. IT Specialist Position (Report Writer) on the Integrated Justice Information Systems (IJS) project team within the Project Requirements & Management Team (PRMT) [Enterprise Project Management (EPMD)]	-109,630	-1.0
Eliminate: Annual licensing for enterprise digital aerial photographs (Pictometry) [Enterprise Applications and Solutions (EASD)]	-115,000	0.0
Eliminate: Abolish one (1) IT Specialist III Position on the Data Security team within the CIO/CTO's Office [Office of the Chief Information Officer (CIO)]	-116,540	-1.0
Eliminate: Abolish one (1) IT Specialist III on the Network Solutions & Services Team in the Enterprise Telecommunications Services Division (ETSD) [Enterprise Telecommunications and Services (ETSD)]	-118,230	-1.0
Eliminate: Abolish one (1) Manager III that manages the Project Requirements and Management Team (PRMT) [Enterprise Project Management (EPMD)]	-124,180	-1.0
Eliminate: Abolish one (1) Sr. IT Specialist Position on the Server Support team in the Enterprise Systems and Operations Division (ESOD) [Enterprise Systems and Operations (ESOD)]	-125,140	-1.0
Eliminate: Abolish one (1) Sr. IT Specialist position in the Project Management Office (PMO) team within the Enterprise Services and Strategic Planning Office (ESSP) [Enterprise Project Management (EPMD)]	-130,210	-1.0
Eliminate: Charges from County Attorney's Office [Office of the Chief Information Officer (CIO)]	-133,260	-1.0
Eliminate: Abolish one (1) Sr. IT Specialist Position on the Project Requirements & Management Team (PRMT). Within the Enterprise Services & Strategic Planning Office [Enterprise Project Management (EPMD)]	-140,700	-1.0
Reduce: Abolish one (1) Sr. IT Specialist Position on the Enterprise Systems Services (ESS) team within the Enterprise Applications and Solutions Division (EASD) [Enterprise Applications and Solutions (EASD)]	-141,660	-1.0
Eliminate: Sr. IT Specialist position (grade 28) supporting County's new Enterprise Resource Planning (ERP) system [Enterprise Applications and Solutions (EASD)]	-143,570	-1.0
Reduce: Reduce Public Safety Communications System (PSCS) Voice Radio Maintenance [Enterprise Telecommunications and Services (ETSD)]	-150,000	0.0
Eliminate: PSCS IT Project Manager - Chief Technology Officer's Office [Office of the Chief Information Officer (CIO)]	-158,270	-1.0
Eliminate: Sr. IT Specialists - ESOD core systems team [Enterprise Systems and Operations (ESOD)]	-278,030	-2.0
Eliminate: On-site Support for Computer Aided Dispatch (CAD) [Enterprise Systems and Operations (ESOD)]	-320,000	0.0
Eliminate: Three Communication Systems Engineer positions in the Radio Communications Services (RCS) team [Enterprise Telecommunications and Services (ETSD)]	-390,440	-3.0
Reduce: Mobile Data Terminal replacements [Enterprise Systems and Operations (ESOD)]	-400,000	0.0
Reduce: Contractor staffing in the Enterprise Systems and Operations Division (ESOD) [Enterprise Systems and Operations (ESOD)]	-955,550	0.0
Other Adjustments (with no service impacts)		
Increase Cost: MC311 Software Maintenance & Support [Enterprise Systems and Operations (ESOD)]	175,000	0.0
Shift: IT position from Office of Management and Budget [Enterprise Applications and Solutions (EASD)]	126,550	1.0
Increase Cost: Retirement Adjustment [Office of the Chief Information Officer (CIO)]	124,390	0.0
Increase Cost: Annualization of FY10 Personnel Costs	115,240	0.0
Increase Cost: Creation of a Program Manager II in Data Center of Enterprise Services & Operations Division (ESOD) by Abolishment of a Sr. IT Specialist Position [Enterprise Systems and Operations (ESOD)]	107,270	1.0
Increase Cost: Group Insurance Adjustment [Office of the Chief Information Officer (CIO)]	76,060	0.0
Increase Cost: Software maintenance and power supply [Enterprise Telecommunications and Services (ETSD)]	75,300	0.0
Increase Cost: ERP Software Maintenance - ESOD [Enterprise Systems and Operations (ESOD)]	58,800	0.0
Increase Cost: ADT: Software License and Maintenance Fees [Enterprise Applications and Solutions (EASD)]	30,000	0.0
Increase Cost: Labor Contracts: Annualization of FY10 Service Increment	25,650	0.0
Increase Cost: MC311 On-Call Support [Enterprise Systems and Operations (ESOD)]	20,000	0.0
Increase Cost: ESS: Legacy Tax Assessment System Support [Enterprise Applications and Solutions (EASD)]	17,600	0.0
Decrease Cost: Elimination of Annualization of FY10 Lapsed Position	-10	0.0
Decrease Cost: Printing and Mail Adjustment [Office of the Chief Information Officer (CIO)]	-2,010	0.0
Decrease Cost: Decrease GIS computer supplies acquisitions [Enterprise Applications and Solutions (EASD)]	-10,000	0.0
Decrease Cost: SAO Case Management System (CMS) Hardware and System Maintenance [Enterprise Project Management (EPMD)]	-21,900	0.0
Decrease Cost: Motor Pool Rate Adjustment [Enterprise Telecommunications and Services (ETSD)]	-23,430	0.0
Decrease Cost: Decrease Security Team H/W Upgrades [Office of the Chief Information Officer (CIO)]	-27,000	0.0
Decrease Cost: Decrease cost by eliminating Datalink T1 lines [Enterprise Telecommunications and Services (ETSD)]	-40,000	0.0
Decrease Cost: Printing, paper and mail reduction [Office of the Chief Information Officer (CIO)]	-64,660	0.0
Decrease Cost: Abolishment of a Sr. IT Specialist Position to Create a Program Manager II in Data Center of Enterprise Services & Operations Division (ESOD) [Enterprise Systems and Operations (ESOD)]	-102,610	-0.8
Shift: Transfer Sr. IT Specialist from Technology Services to State's Attorney's Office [Enterprise Systems and Operations (ESOD)]	-124,910	-1.0
Shift: Convert IT Expert to full-time ERP Position [Enterprise Systems and Operations (ESOD)]	-135,650	-0.8
Decrease Cost: Software maintenance for the County's enterprise payroll/personnel management information system. [Enterprise Applications and Solutions (EASD)]	-186,440	0.0

	Expenditures	WYs
Decrease Cost: Software maintenance, licenses, contractor support [Enterprise Systems and Operations (ESOD)]	-225,200	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY10 [Enterprise Applications and Solutions (EASD)]	-260,000	0.0
Decrease Cost: Furlough Days	-477,420	-4.1
FY11 RECOMMENDED:	26,303,520	106.5

PROGRAM SUMMARY

Program Name	FY10 Approved		FY11 Recommended	
	Expenditures	WYs	Expenditures	WYs
Enterprise Systems and Operations (ESOD)	13,424,480	44.9	11,114,650	37.0
Enterprise Telecommunications and Services (ETSD)	5,542,610	22.5	4,342,340	12.0
Enterprise Applications and Solutions (EASD)	6,063,920	37.5	5,050,400	34.3
Enterprise Project Management (EPMD)	3,119,820	14.7	2,453,610	9.4
Office of the Chief Information Officer (CIO)	3,693,360	17.4	3,342,520	13.8
Total	31,844,190	137.0	26,303,520	106.5

CHARGES TO OTHER DEPARTMENTS

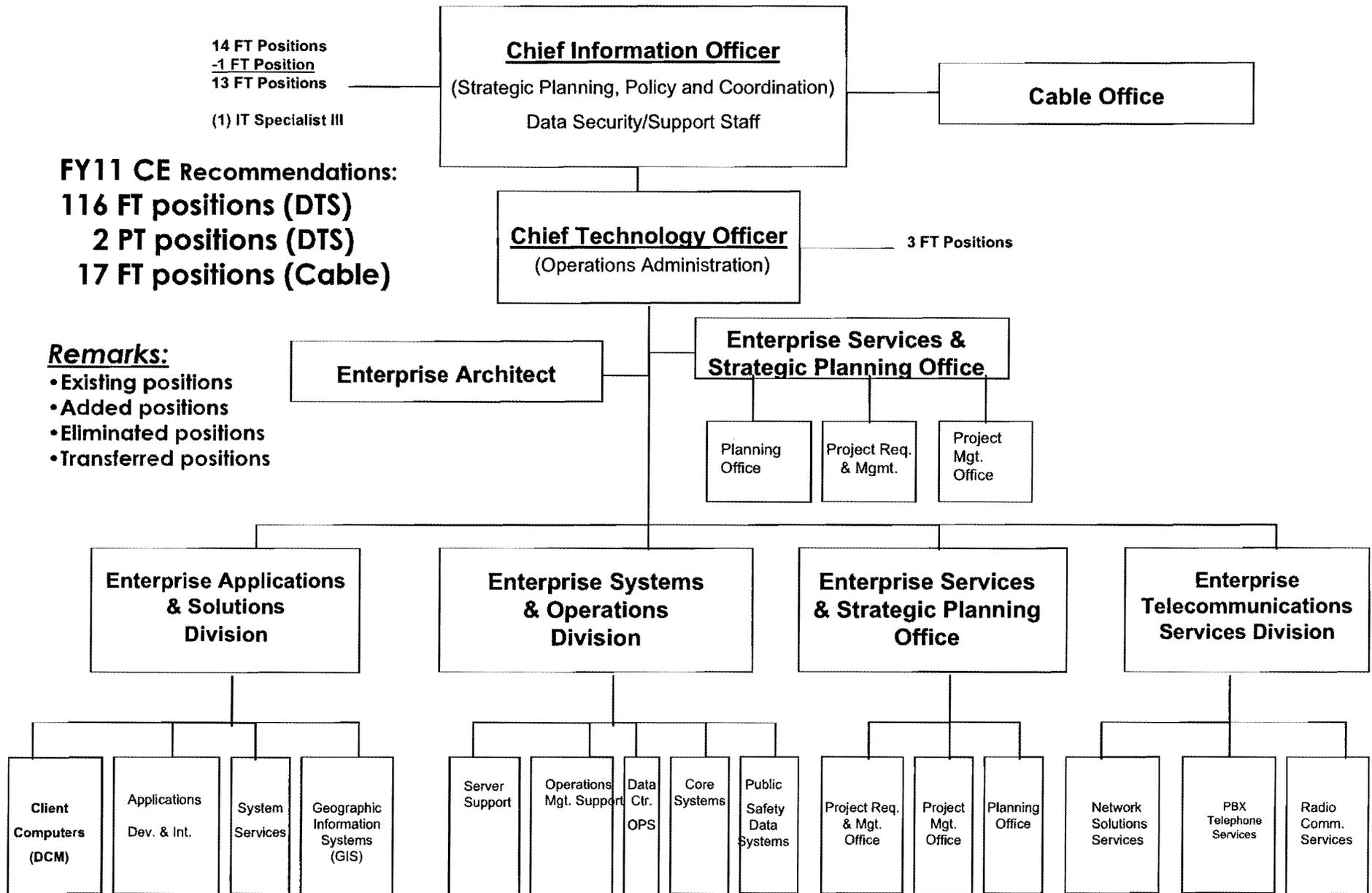
Charged Department	Charged Fund	FY10		FY11	
		Total\$	WYs	Total\$	WYs
COUNTY GENERAL FUND					
Cable Television	Cable Television	1,259,150	1.6	1,258,810	1.6
CIP	CIP	2,462,820	19.5	2,835,660	22.0
Total		3,721,970	21.1	4,094,470	23.6

FUTURE FISCAL IMPACTS

Title	CE REC.			(S000's)			
	FY11	FY12	FY13	FY14	FY15	FY16	
This table is intended to present significant future fiscal impacts of the department's programs.							
COUNTY GENERAL FUND							
Expenditures							
FY11 Recommended	26,304	26,304	26,304	26,304	26,304	26,304	
No inflation or compensation change is included in outyear projections.							
Integrated Justice Information System	0	0	300	300	300	300	
These figures represent the impacts on the Operating Budget (maintenance, utilities, staff) of projects included in the FY11-16 Recommended Capital Improvements Program.							
Motor Pool Rate Adjustment	0	23	23	23	23	23	
Public Safety System Modernization	0	0	680	500	680	500	
These figures represent the impacts on the Operating Budget (maintenance and utilities) of projects included in the FY11-16 Recommended Capital Improvements Program.							
Restore Personnel Costs	0	477	477	477	477	477	
This represents restoration of funding to remove FY11 furloughs.							
Subtotal Expenditures	26,304	26,804	27,784	27,604	27,784	27,604	



Department of Technology Services Organizational Chart



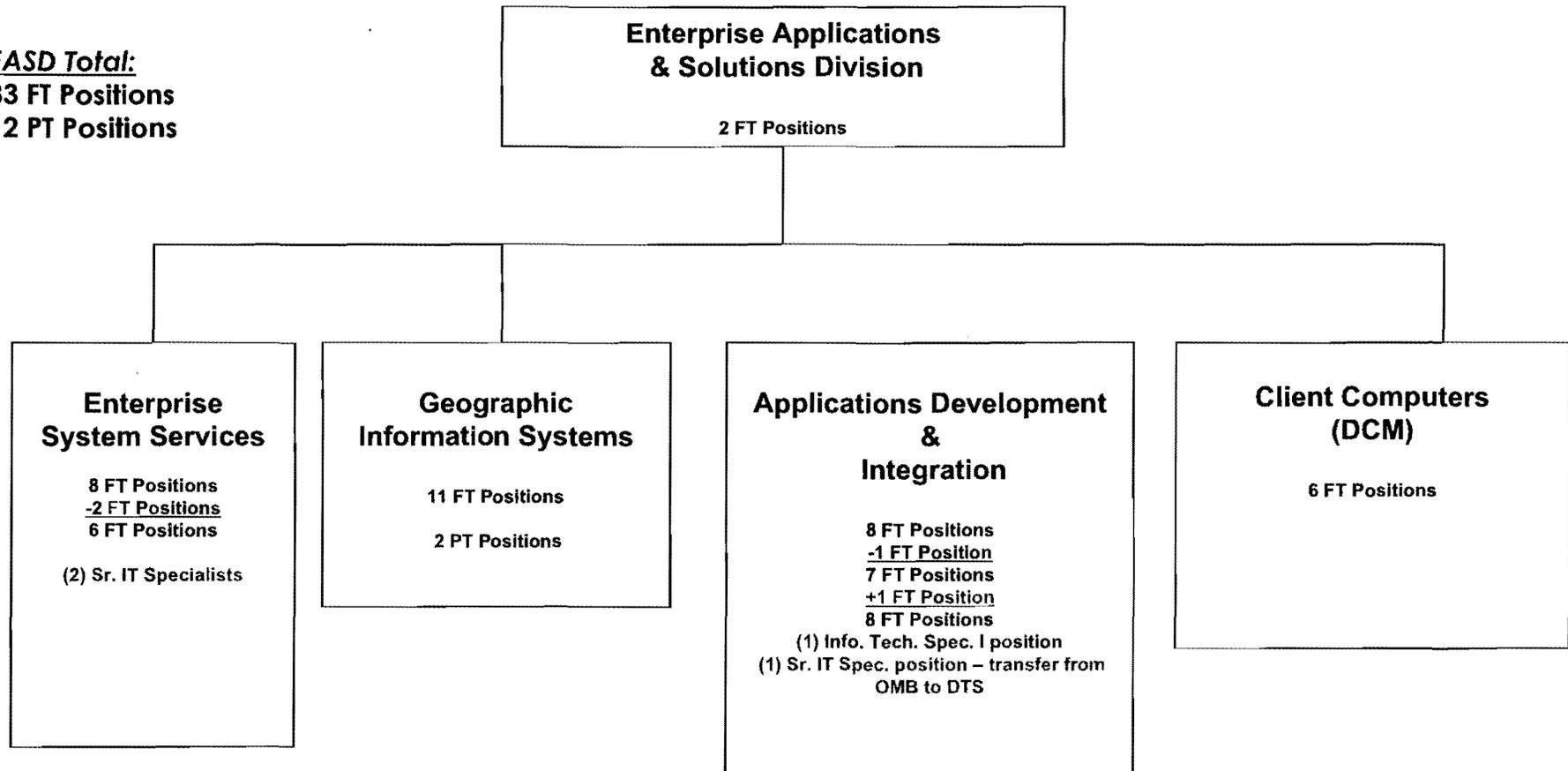
FY11 CE Recommendations:
116 FT positions (DTS)
2 PT positions (DTS)
17 FT positions (Cable)

Remarks:

- Existing positions
- Added positions
- Eliminated positions
- Transferred positions

Department of Technology Services Enterprise Applications & Solutions Division

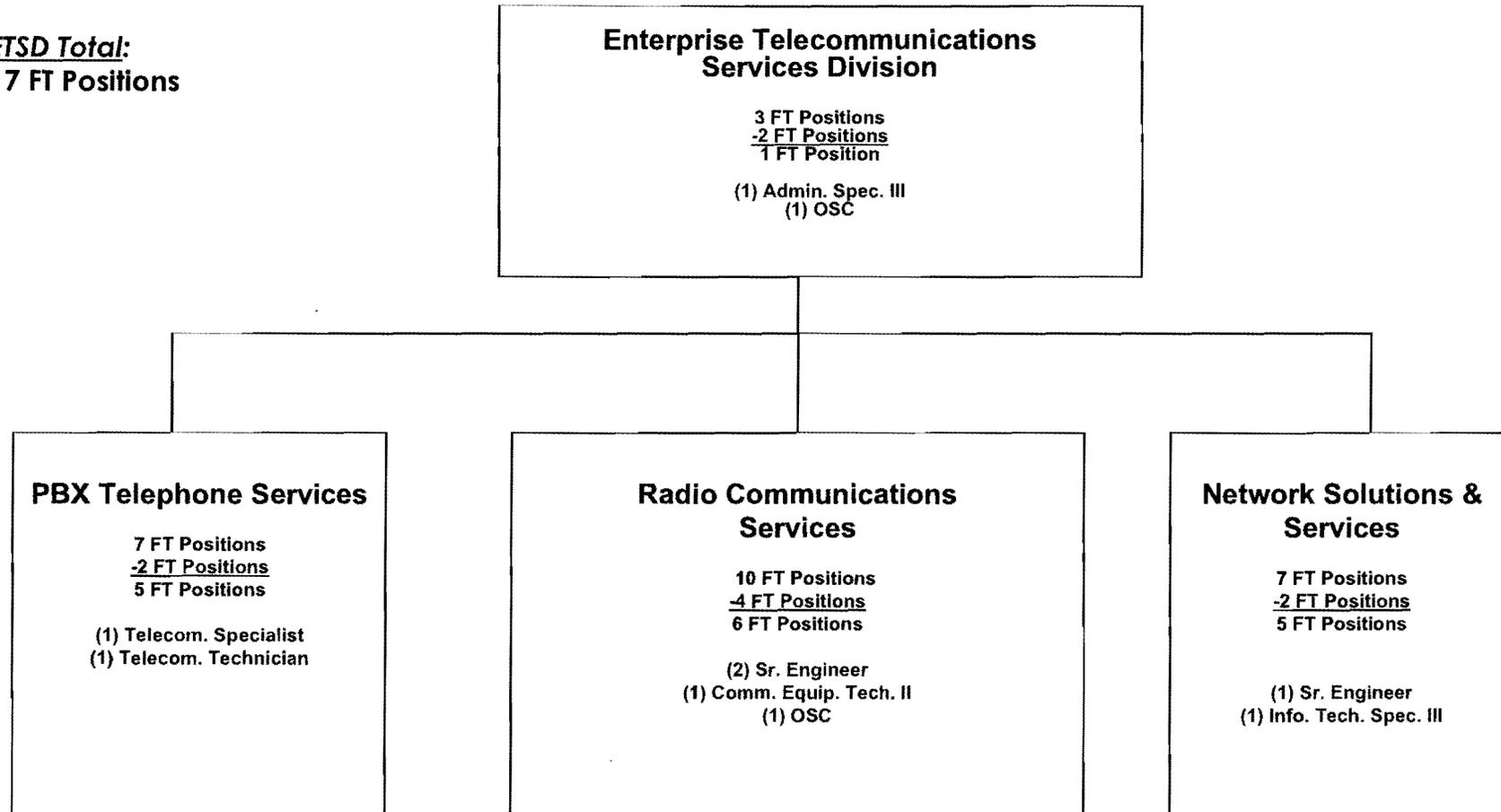
EASD Total:
33 FT Positions
2 PT Positions



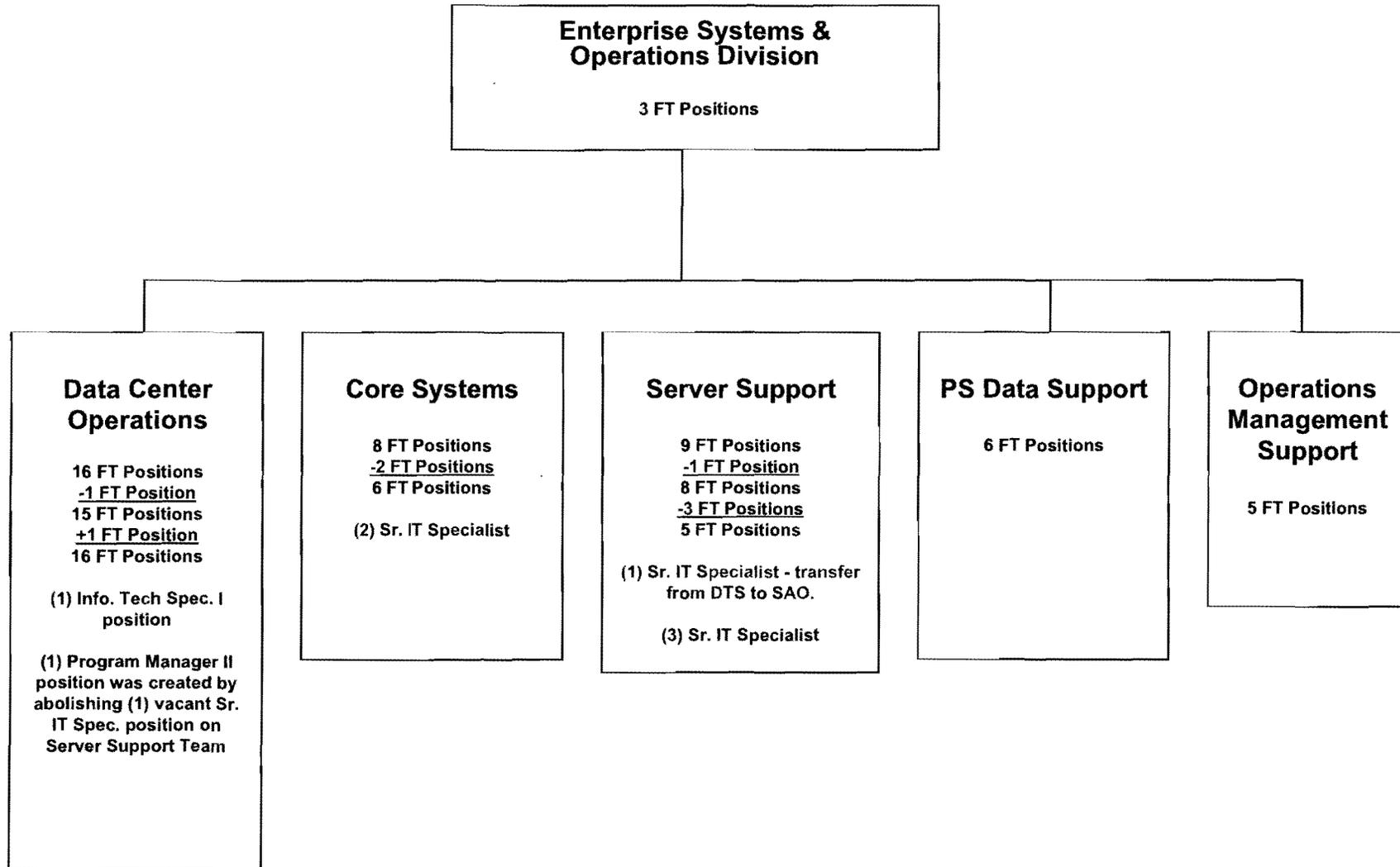
Department of Technology Services

Enterprise Telecommunications Services Division

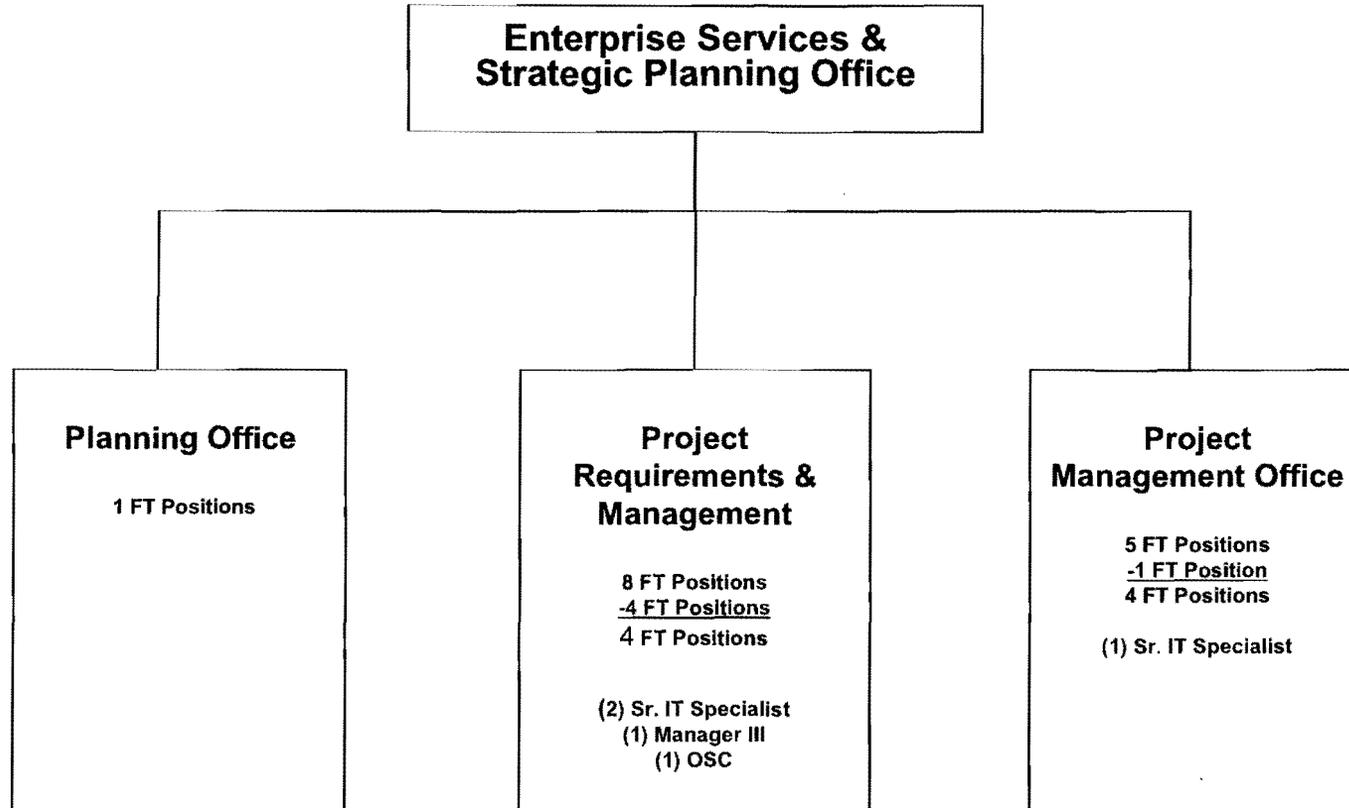
ETSD Total:
17 FT Positions



ESOD Total:
41 FT Positions

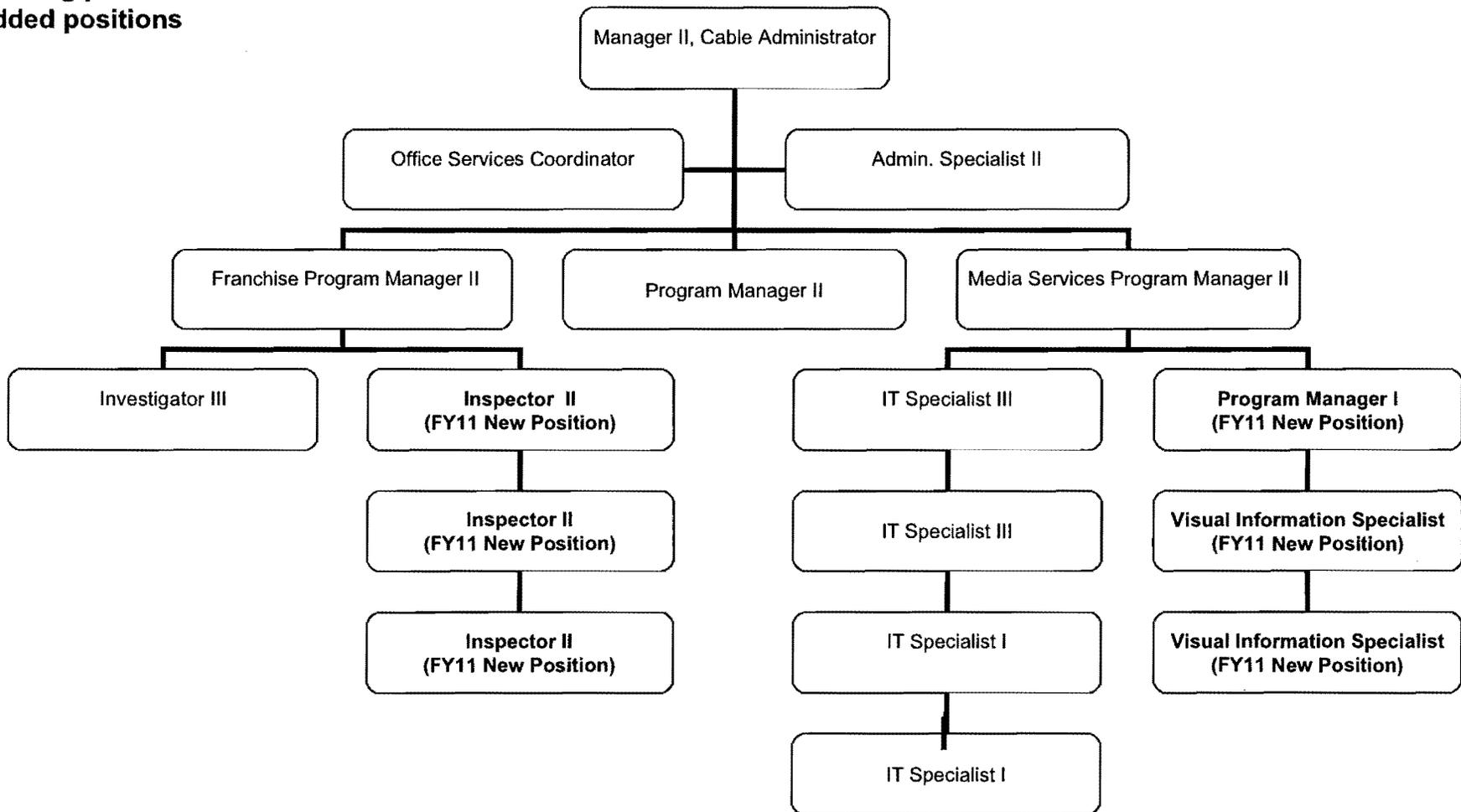


ESSPO Total:
9 FT Positions



Cable Office
17 FT Positions

Remarks:
Existing positions
Added positions





DEPARTMENT OF TECHNOLOGY SERVICES

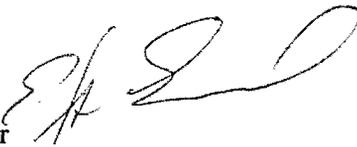
Isiah Leggett
County Executive

E. Steven Emanuel
Chief Information Officer

MEMORANDUM

April 12, 2010

TO: Dr. Costis Toregas
Counsel IT Advisor

FROM: E. Steven Emanuel
Chief Information Officer 

SUBJECT: FY11 Budget Question Responses

Pursuant to your email of March 31, 2010, as a summary follow-up to our meeting that same morning, the leadership team of DTS has assembled, in written format, answers to your questions that arose from your review of the Executive's budget submission, relative to DTS. We believe that we have addressed in a comprehensive fashion, the issues that were raised and can ratify that there is a plan for sustaining technology operations, despite the fiscal challenges ahead.

Additionally, we are providing a comprehensive presentation on the Cable Plan budget that will address your emphasis on outcomes. This presentation was created in response to the need to demonstrate that there have been significant changes in the collaborative efforts of the Cable Office and the PEG partners with respect to budget and services coordination.

We look forward to the opportunity to speak to the DTS budget, the ability for DTS and Cable to remain proactive and the ability to demonstrate that budget recommendations are manageable in the upcoming Council sessions.

Please, as always, if there are any additional questions, feel free to contact me.

DTS Responses to Council Staff Questions for FY11 Budget

Overall picture for technology investments in FY11

Operating Budget	FY10	FY11	DIFFERENCE	% CHANGE
DTS	31.8	26.3	-5.5	-17.3%
DCM	6.8	3.6	-3.2	-47.1%
ITPCC	0.0	0.0	0.0	0.0%
Cable	11.6	11.5	-0.1	-0.9%
PIO/MC311	0.0	4.0	4.0	
Subtotal OB	50.2	45.4	-4.8	-9.6%
CIP Budget				
TechMod	32.6	17.1	-15.5	-47.5%
IJIS	5.0	0.5	-4.5	-90.0%
PSSM	2.9	2.3	-0.6	-20.7%
FiberNet	1.0	2.0	0.9	93.0%
ITF	0.0	0.0	0.0	
Subtotal CIP	42.5	21.9	-20.6	-48.5%
TOTAL	92.7	67.3	-25.4	-27.4%

Personnel changes by program

Work Years by program	FY10	FY11	CHANGE	% CHANGE
ESOD	44.9	37.0	-7.9	-17.6%
ETSD	22.5	12.0	-10.5	-46.7%
EASD	37.5	34.3	-3.2	-8.5%
EPMD	14.7	9.4	-5.3	-36.1%
CIO Office	17.4	13.8	-3.6	-20.7%
Cable Office	19.2	25.8	6.6	34.4%
Totals	156.2	132.3	-23.9	-15.3%

DTS questions for FY11 budget
April 7, 2010

DTS Responses to Council Staff Questions for FY11 Budget

1. **Provide a chart of all position eliminations, and the expected impact of these eliminations on service levels and the readiness and competitiveness of DTS.**

Response:

Please refer to the attached organizational chart for all position eliminations.

The impacts of 25 eliminated positions on service levels and DTS' readiness and competitiveness are as follows:

- IT Project Manager – Public Safety Communications Systems
(-1 position; -1.0 WY)

This position is responsible for managing Public Safety System upgrades and replacements. Project management responsibilities have been split among multiple individuals, which yield inconsistencies and unpredictable results. Without a dedicated IT Project Manager for the Public Safety Systems, the workload will be shifted among senior management staff. Once the Public Safety Systems Modernization CIP funding is in final approval, the IT Project Manager position may be included.

- IT Specialist I – Data Center, Enterprise Systems & Operations Division
(-1 position; -1.0 WY)

ESOD Data Center operations must be staffed 24x7x365. The operations staff executes and monitors jobs on both servers and the mainframe. The operations staff performs system backups nightly. This position is responsible for supporting Data Center operations. Reduction in staffing increases risk that DTS will not have sufficient resources to maintain and support the Enterprise Data Center operations, leading to potentially longer outages and delays in support. Without this position, the workload will be redistributed to other Data Center Operations team staff. DTS will continue to apply best practices to system operations and believes it can manage the increased risk.

- Sr. IT Specialists – Enterprise Systems & Operations Division
(-4 positions; -4.0 WY)

These positions are responsible for supporting Enterprise servers and Core Enterprise systems including email. Reduction in staffing increases risk of critical business systems failures or extended outages due to staff resource constraints delaying or preventing required system monitoring and maintenance. It also increases risk of project delays due to staff focus on system operations and problem responses. Without these positions, the workload will be redistributed to other Server and Core Systems team staff and contractors. DTS will continue to apply best practices to system operations and believes it can manage the increased risk.

- Sr. IT Specialist –Enterprise Applications & Solutions Division
(-2 positions; -2.0 WY)
IT Specialist I – Enterprise Applications & Solutions Division

DTS Responses to Council Staff Questions for FY11 Budget

(-1 positions; -1.0 WY)

These positions are responsible for: (a) the enhancement, maintenance and upkeep of the County's Enterprise Resource Planning (ERP) system; (b) providing operations and maintenance support for the County's human resources payroll/personnel management system, HRMS and (c) the development of web/eGovernment applications for the County's Department of Transportation (DOT) as well as development and maintenance of enterprise web solutions. The most critical and visible duty of one of the eliminated positions is to produce employee W2 statements each year;

These position eliminations will reduce DTS' ability to develop new applications and limit the ability to provide rapid response to maintain existing applications under its web/eGovernment program. It will also reduce DTS' ability to take on any new project work on the HRMS system. The eliminated positions will also impact DTS' ability to progressively support the ERP solution once the system is implemented and turned over from the vendor to DTS for on-going operations.

All existing web/eGovernment projects, in-house ERP application development and support, as well as HRMS support assignments will be re-prioritized and employee work plans will be adjusted to reflect new roles and responsibilities caused by the position eliminations. DTS will strive to optimally re-allocate workload among existing staff members in order to provide quality application support services.

- IT Specialist III – Chief Information Officer's Office
(-1 positions; -1.0 WY)

This position is responsible for core job functions consisting of enterprise security policy development, training, and reporting. When the position is abolished, new security policies or modifications to existing policies would be severely delayed or reduced due to lack of this resource. Additionally, any security training, security reminders, or enforcement of mandated training would be significantly limited. DTS will continue to apply best practices to enterprise security standards and believes it can manage the increased risk.

- Telecommunications Specialist – Enterprise Telecomm. Services Division
(-1 position; -1.0 WY)

This position supports the Enterprise PBX platform to include PBX and Verizon Centrex services, IVR, and Voicemail. The elimination of the PBX Telecommunications Specialist position will affect ETSD ability to support current and future requirements. The lack of a third Telecom Specialist will also affect ETSD's ability to support the anticipated increase in work to enhance the County's 311 system for the Contact Center telecommunication requirements. The workload will be redistributed between the two remaining PBX System Administrators. DTS will continue to apply best practices to system operations and modify Service Level Agreements to enable the workload to be managed in a timely manner.

DTS Responses to Council Staff Questions for FY11 Budget

- Sr. IT Specialist – Enterprise Services & Strategic Planning Office (-3 positions; -3.0 WY)

These positions are responsible for:

- (Position #1) Supporting the CRIMS production system and the reporting functionality;
- (Position #2) Monitoring and maintaining assigned Help Desk (MAGIC) tickets for operational and in-development Applications Development Team applications; serves as account manager for assigned departments in the IT Review process and serves as the lead project manager to manage, test, and support for the following key applications: Financial Disclosure (FD); Finance Records Management System (RMS), Local Small Business Reserve Program (LSBRP), to name a few;
- (Position #3) Developing and enhancement of DTS' work request intake system, Mercury; as well as developing and enhancement of DTS' enterprise project management dashboard/scorecard data capture tool.

The position reductions will significantly reduce DTS' ability to maintain the planned CRIMS schedule, developing new Web applications, and upkeep with both the Mercury platform and the dashboard/scorecard solution. To mitigate the risks, DTS will re-assign staff from another work unit within the Department to take on these assignments. The existing staff member does not have experience with the software tools. DTS expects to re-train the staff member in the first 6 months of FY11. Training for the new staff member will be a combination of on-the-job and formal training, budget permitting. Note that DTS' training budget will be significantly reduced in FY11 as well.

- Administrative Specialist III – Enterprise Telecommunications Services Division (-1 position; -1.0 WY)

This position supports the ETSD contract management process which involves maintaining contract files, while performing all contractual actions to include task orders, amendments, change orders, and CRC request.

The duties of the abolished position will be performed by the remaining staff. The Enterprise Telecommunication Services Division will continue to have the expertise and operational knowledge to manage the contractual and budgetary process. DTS will apply the established County best practices to contract operations, and believes it can manage the increased risk. To compensate for the proposed position decrease; existing managerial staff will assume the duties of contractual and budgetary management. This will enable the workload to be managed in an effective and timely manner.

- IT Specialist III – Enterprise Telecommunications Services Division (-1 position; -1.0 WY)

This position is responsible for maintaining the operational status of FiberNet and the Montgomery County Government Local Area Networks. The Network

DTS Responses to Council Staff Questions for FY11 Budget

Solutions & Services Team (NS&S) supports an IP network of over 1,000 devices connecting over 400 sites supporting all County Agencies and County Government. The citizens of the County and its staff depend on this network for all communications services. The network continues to grow in size and complexity, as new sites and services are added. MC311, Smart Growth, and TechMod will bring more complex applications and networking environment to the County's infrastructure. Elimination of this position will impact on network service delivery: longer problem resolution times for solving user problems and helpdesk tickets and potentially unacceptable trade-offs, such as rationing of services to users as more important projects take precedence over individual trouble tickets and requests, e.g. TechMod, and inefficient application of skills as more experienced staff are required to work on minor problems and user requests, e.g. loss of connectivity to servers, mis-configured workstations, etc, and not working on site relocations. Assignments will be shifted to other staff on the Enterprise Telecommunications Services Division, remaining existing telecommunications projects will be re-prioritized and employee work plans will be adjusted to reflect new roles and responsibilities caused by the position elimination.

- Communications Equipment Technician – Enterprise Telecomm. Services Division (-1 position; -1.0 WY)

This position responds to outages related to the radio system infrastructure or “backbone” of the Public Safety Communications System (PSCS) as well as programming and maintenance of portable radios. This position is also responsible for programming, installations, de-installations and maintenance of all mobile or vehicular installs in public safety vehicles including first responders, Department of General Services' facilities and the Department of Corrections.

This position reduction will impact the level of support services provided to all first-responders and users of the PSCS. The total of both portable and mobile radios supported in the County is approximately 6,800. The decrease in staff will have a direct workload increase for remaining staff. New vehicle installations for Police and Fire Rescue services will likely become backlogged, as DGS has a contracted weekly turn around rates, based on FY10 staffing. The wait times for walk-in services will significantly increase. Radio Communications Services (RCS) will have to work with first responders and other users of public safety radios on MOU's that will decrease the level of expectations for radio maintenance turn-around times as well as DGS Facilities Department on de-installation and re-installations involving new vehicle installations.

- Office Services Coordinators (-3 positions; -3.0 WY)

These positions are responsible for providing administrative support the Department of Technology Services. Currently, DTS has a total of six OSC's supporting eight DTS locations, including Cable TV Office and TechMod Project Office. Beginning in FY11, administrative support will be provided by three OSC's.

DTS Responses to Council Staff Questions for FY11 Budget

The elimination of these positions will require DTS technical staff to increase the amount of time spent performing administrative office functions. All existing administrative support functions will be re-prioritized, and employee work plans will be adjusted to reflect new roles and responsibilities caused by the elimination of these positions.

- Sr. Engineers – Radio Communications Services of the Enterprise Telecomm. Division (-3 positions; -3.0 WY)

These positions are primarily responsible for:

- (Position #1) Developing the synergies that exist within the County's telecommunications and networking asset portfolio, and managing the design and deployment of complex communications systems that integrate voice and data over the County's IP and PBX infrastructure;
- (Position #2) The day-to-day development and deployment operations of the 800 MHz initiatives; obtaining and maintaining all County radio licenses from the Federal Communications Committee (FCC); coordination of Radio Frequency (RF) signaling, and act as liaison for DTS departmental enterprise responsibilities and radio technical support to interface with other County Departmental Agencies and Jurisdictions; and
- (Position #3) The day-to-day supervision of Communication Technician Operations in the Radio Repair Bay and Warehouse.

The Enterprise Telecommunication Services Division will continue to have some expertise and operational knowledge to manage the Radio Communications Services (RCS) obligations and functions; however, at a significantly reduced level of support to the Public Safety customer community. Existing staff will have to assume increased duties. RCS will have to work with first responders and other users of public safety radios to manage a new level of expectations for radio communication assistance and problem solving.

- Telecommunications Technician - – Enterprise Telecomm. Services Division (-1 position; -1.0 WY)

This position is responsible for maintaining the technical troubleshooting of PBX, Voicemail, and IVR hardware. This position works with users to resolve problems with their phone, IVR, or Voicemail processes that may be hardware or firmware related.

Work assignments will be redistributed to other staff on the PBX team. All existing PBX projects will be re-prioritized and employee work plans will be adjusted to reflect new roles and responsibilities caused by the position elimination.

- Manager III – Enterprise Services & Strategic Planning Office (-1 position; -1.0 WY)

This position's responsibilities are:

DTS Responses to Council Staff Questions for FY11 Budget

- Serves as the manager of the Project Requirements and Management Team (PRMT) and is responsible for planning, organizing, and directing the customer requirements management program.
- Defines business requirements and translates those into information technology systems requirements and specifications.
- Identifies opportunities to leverage technology to improve and/or streamline business processes.
- Provides leadership and direction to assigned staff, including coordination of cross-divisional and cross-departmental work groups.
- Provides advice in the integration of new technology into existing operating systems, based on a broad-based understanding of current systems capabilities, leads, or participates in systems integration activities including transition activities between old and new technology.
- Consults with user department management and decentralized IT staff, and DTS project teams regarding policy, standards, procedures, technical solutions, and user requirements.
- Identifies opportunities for efficiencies (ex: cost, productivity) and/or synergies within or across County departments through the creative use of information technologies.
- Measures processes in current state and post-IT systems implementation.

Elimination of this position will significantly reduce DTS's ability to:

- Provide Enterprise guidance to the Enterprise Project Management
- Provide leadership and management guidance to the PRMT
- Perform leadership project management tasks for:
 - IJIS
 - Interfacing with the eJustice team
 - Representing the CJIS team
 - Managing the full production launch of IJIS Inquiry
 - Mctime
 - Drafting the Project Charter in response to the audit finding
 - Coordinating an action plan response for the Task 2 Functional Requirements Audit
 - Coordinating an action plan response for the Task 3 Security
 - Participation in MCPD sessions in preparation for testing and deployment
 - TechMod ERP
 - Supporting the Quality Assurance team by providing input on multiple documents

To compensate for the proposed position abolishment; existing DTS managers will assume additional duties, as will the professional project management staff that remains.

- 2. Is DTS prepared to offer services to other departments and agencies? Interagency phone service (VoIP) and call center operation, virtualization and data center consolidation have all been discussed in the ITPCC program. Are there legal, financial or administrative impediments, and if so what? After 30 position reductions (the number includes 4 WYs representing the impact of furloughs),**

DTS Responses to Council Staff Questions for FY11 Budget

does DTS have the human resource infrastructure to be the anchor of a Shared Services / Consolidation effort across agencies? Or is the strategy to depend on other agencies or the private sector for IT services over time?

Response:

From a technical perspective, DTS has a fully defined architecture that has been innovative and progressive over the years, such that costs of services delivered are significantly low for the number of resources and overall operating costs for the Executive Branch. Services such as network, web portal, email, phone and application development and hosting are already being provided to non-executive branch departments such as CCT, SAO, SHF, CCL, MSPB, OIG, OLO, OPC, and OZAH. While DTS has a proven track record for virtualization, telecommunications support and data center strategies, the significant reductions imposed with the FY11 budget challenges makes it difficult to determine the scope of expansion that could be immediately provided to other agencies, without understanding what new service support is being requested. Coping with the position reductions will be a challenge for DTS. While we have thoroughly reviewed our options to minimize service impacts, Technology Services consumers will likely experience reduced service levels as a direct result of the position reductions.

DTS continues to be an active partner with the other County agencies participating in the ITPCC. As we have demonstrated in the past, DTS does not always assume it should be the anchor of an inter-agency technology effort. This has been demonstrated in our support of MNCPPC anchoring of the GIS strategic plan. We remain committed to being an active partner and looking for opportunities to leverage our resources to support inter-agency efforts. At the present time, we continue to develop strategies relative to the common data center model and will share any developments with our ITPCC peers just as we urge them to share reproducible opportunities from their experiences and innovation efforts. As we find opportunities, as a group we will identify any barriers or obstacles that are discovered and look to senior leadership for alternatives, recommendations and business rule changes necessary to move forward.

Our planning for FY11 and into FY12 has assumed that growth will be limited to the significant programs already proposed or approved for implementation as part of the Executive Branch business focus. In these efforts, it has already been demonstrated that assistance through other resource pools would be necessary to demonstrate achievement. Any opportunity to engage other agencies in a partnership or resource sharing efforts will be pursued. Where internal skills are not available or viable, external resources will be recommended. But it should be clear that our County government clients will take part in those decisions as well as any other significant priority changes that will affect support and development resources, tasks and deliverables that are in the basis of the DTS operating plan.

Managing Resources and Service Risks

As a result of the resource reductions required to meet the budget targets, the plan was to look at overall services provided and make adjustments that would have a minimal effect to Enterprise IT Services. To accomplish this, the process included a concerted effort on the challenges that could be readily identified:

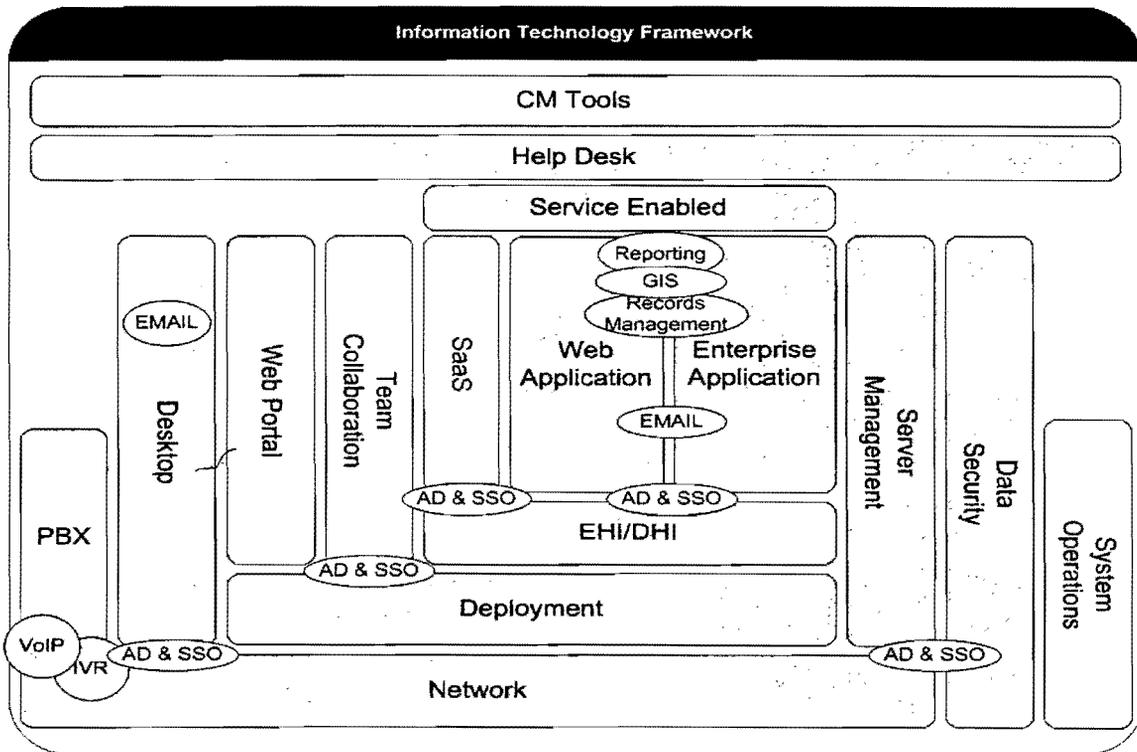
- Reductions were evenly spread among the Enterprise Services

DTS Responses to Council Staff Questions for FY11 Budget

- Identification of results that included reduced service levels
- Impacts of longer service request times
- Increased risk of outages and recovery time
- Impact of reduced ability to host or offer new services
- Impacts on inability to expand current services
- Identification of cross functional impacts

The chart below (Figure 1) illustrates the anticipated impacts of the changes to the overall budget as a result of the reductions to meet budget targets. Most Enterprise Services have incurred risk at a manageable level. These areas have been identified as the hatched areas. As the service changes were analyzed, there was a strategic effort not to significantly increase the risk in any one specific service. However, as the process was finalized, it became clear that DTS is already functioning under an Enterprise Service model and as a result, reducing services in one area had an almost immediate impact to other service functions. This clearly demonstrates that as an effective, operating organization, the reductions will have a systemic impact, but managed effectively, risk remains at an acceptable level.

Figure 1.



To further manage the extent of risk, DTS will be coordinating service change expectations with the IT work groups in an effort to identify any gaps and service challenges that result from the final resource structure. Similar to other fiscal reductions, there will be an evaluation of the current organizational structure and service impact needs will be addressed through staffing optimization. Collaterally, DTS will examine the changes and impacts on critical business programs and projects and address challenges with resource shifts as necessary. While a known impact of these levels of resource

DTS Responses to Council Staff Questions for FY11 Budget

reductions will challenge current skill sets and depth of knowledge in technical areas, a proactive effort is already underway to look at immediate operational gaps and forecast areas that will need to be addressed upon the final outcomes of the workforce changes.

Concurrent with county resource challenges, DTS has also taken into consideration the impacts of contractual support reductions. Significant reductions have been made that have a direct impact on most enterprise services that will reduce the agility of the organization to adapt to rapid technology changes through contract skill acquisition. While this severely hampers the ability to adopt and adapt in an expedited mode, DTS leadership will continue to focus on the existing resources through formal and cross training to meet the highest of the priority needs as identified by county departments as well as inter-agency collaboration efforts.

The significance of the overall resource reductions is that it will have an impact on all areas of County Government as well as agency partners. Many of the impacts will manifest in increases in response time, unplanned outages will take longer to address, new technology adoption will be limited and slow and many existing services will be challenged by limited or no redundant expertise.

Each of the DTS operations has been examined and the challenge similarities are evident. Unplanned challenges or a significant shift in priorities will require requests for essential third party support as well as recommendations for delays in projects and tasks in progress to make the necessary resources available. This will also create a greater load on the governance process to ensure that decisions and direction takes a comprehensive view of needs prior to actions and actual work commitment. DTS will continue to be proactive with county leaders and identify options where need and gaps exist or manifest during the year.

However, DTS leaders believe that there is a continued commitment to the highest of the business priorities, with the resource shifts and the impact of collaboration, will continue to enable reasonable risk mitigation until the fiscal challenges subside.

3. **Charge back approach has been requested for FiberNet- are there other areas in inter-agency collaboration that can benefit the MCG "bottom line"? OMB may have something to say on this topic as well.**

Response:

The Chief Administrative Officer's newly formed Cross-Agency Resource-Sharing Committee contains a list of Workgroup Focus Areas that will be addressed for potential resource sharing opportunities in the future. Regarding chargebacks refer to discussion with Joe Beach.

4. **How will MC311 and ERP technology be maintained over time? MC311 has its own budget in the PIO program, but licenses and software support is shown in DTS budget. What is the governance and funding proposed for managing the projects, and what is the explicit DTS role in each?**

Response:

DTS Responses to Council Staff Questions for FY11 Budget

The Technology Modernization (TechMod) projects (ERP, MC311, MCTime) use and leverage the Enterprises services, developed and managed by DTS. These Enterprise services, which have been expanded from existing countywide solutions, provide the technical infrastructure on which the TechMod applications will run. The core Enterprise services are maintained within the DTS operating budget and permanent positions dedicated to TechMod are in the CIP and are expected to move to the DTS budget upon completion of the projects. Service levels are determined and adjusted by the funding made available each year by the CE, with the concurrence of the key department leaders in the Executive Branch.

The Enterprise model centralizes the management of IT licenses and support contracts within the DTS budget for mission critical applications / services. The DTS FY11 operating budget includes software maintenance costs for all TechMod systems including Oracle Enterprise Business System for ERP, Siebel for MC311, and Kronos for MCTime.

The current governance direction has been previously addressed by Mike Ferrara, Executive Director, Enterprise Projects. As a part of the implementation plan, numerous departments are working towards a best practice model for a sustaining organization to identify and document the responsibilities for management and control of enterprise solutions. The TechMod worksession packet, dated March 12, 2010, contains details on the funding.

5. Is there expectation that Cloud Computing might be deployed for basic functions such as word processing, email and spreadsheets for “non-power” users in FY11?

Response:

As part of the County's Cloud strategy, which is documented in the Enterprise Information Technology Architecture published in March, 2009, DTS defined a new service offering as part of its shared services solution set that supports County use of Cloud applications. Departments are encouraged to include the IT architecture as part of any solicitations for new systems and evaluate the costs and benefits of internal vs. external Cloud offerings. Some examples of DTS supported Cloud applications in use include the PeopleClick career opportunity management system, ePerform performance management application, and portions of the new Cash Register System for the Department of Liquor Control (DLC).

DTS processes and project methodologies include considering Cloud Applications in upgrades to current services and for possible cost reductions. As part of its MyMontgomery web-GIS mapping solution, and other departmental services, the County leverages Google mapping technologies to provide robust on-line mapping of County facilities and service locations. Other Cloud services in use include the Cable Office's Internet Video Streaming capabilities along with several DTS Security Services. All of these migrations to the Cloud have replaced in-house services while offering additional functional capabilities at similar costs (e.g. cost avoidance) or at a reduced cost.

DTS has been investigating basic functionality such as enterprise desktop and e-mail provided by Cloud Computing providers for some time. Challenges identified that impact

DTS Responses to Council Staff Questions for FY11 Budget

the potential adoption of an external Cloud solution include network redundancy, geographic location of data, security controls, performance, supportability, ease of use, and positive Return on Investment. These challenges will continue to be researched throughout FY11. As solutions are identified that address current and future business needs as well as production impacts, are found to be cost effective and improve County productivity, plans and a complete scope of the final deliverables will be developed for their introduction and adoption in the County.

6. The Cable Plan does not appear to assume a consolidated model of programming operations as discussed by MFP. When will such a plan be available, and at what cost savings?

Response:

As discussed in prior MFP meetings, the Cable Plan document does not provide the robust evidence of the constant improvements and collaborative successes through the PEG organizations. However, the Cable Plan includes the budget aspects of the coordinated program operations between CCM, MCPS ITV, MC ITV and AMTV. These include:

Shared Contracts

- In FY10, large dollar-value equipment purchases for these County-funded stations were aggregated into a single order using the IT Commodities Contract, resulting in a 20 percent savings. This savings was used to meet mid-year FY10 reductions and will be used to extend the purchasing power of reduced proposed FY11 equipment funding.
- The Granicus contract will be leveraged to expand Internet streaming of all PEG channels.
- The NCI closed captioning contract is being leveraged to provide closed-captioning for CCM and MCPS, as well as for a shared news program air on multiple stations. Due to FY11 budget cuts, closed captioning will not be expanded. However, when the budget outlook improves, this contract will be used to provide closed captioning for additional original MCPS, MC, and AMTV programming.

Shared Technology

- The PEG Interconnection project will be completed in FY10 and will permit all Montgomery County PEG Network members in FY11 to:
 - Use FiberNet to route IP-video files to FTP and file sharing sites;
 - Build shared file libraries using a Shared Area Network solution;
 - More easily simulcast key events across multiple channels.
- All PEG Network signals will be monitored using automated software and CCM engineering staff in the COB Technical Operations Center.
- Engineering solutions have been implemented to permit simulcast cable casting with a few days lead time, of select programs, such as the County Executive Budget press conference and County Council Teen Town Hall on MC, MCPS, and CCM.

DTS Responses to Council Staff Questions for FY11 Budget

- Text crawl messages run horizontally at the bottom of the screen on several different channels to promote live events that will be carried on other PEG Network channels.
- In FY11, technical solutions will be engineered to permit live cablecasts on any Montgomery County PEG Network channel from almost any FiberNet site.

Shared Support Staff

- CCM engineers are lending their expertise to assist the City of Rockville with its RFP process to replace its analog master control with a digital system.
- MCPS and MC graphic artists have contributed staff time to develop a new WatchLocalTV.com logo and bus stop promotional campaign.
- MCPS has provided discounted print services through its on-site print shop to permit printing of a limited run of PEG Network promotional brochures.
- The Mobile Production Vehicle (MPV) is staffed by CCM and used as a shared resource by the four County-funded stations as well as the Rockville 11 and Takoma Park CityTV to enable live and recorded taping of events at remote sites.

Shared Production Support

- MC and MCPS have provided production staff to assist AMTV, CCM, and Rockville 11 in the production of events from remote local events that would otherwise not be covered due to reduction in contract production support.
- In April 2010, a collaborative hyper-local news program, "County Report This Week" will be launched which will:
 - Include contributions from CCM, MCPS ITV, MC ITV, AMTV, and Rockville 11.
 - Air on CCM, MCPS ITV, MC ITV, AMTV, Rockville 11, and Takoma Park CityTV, with a possibility of additional playback on MMC.
 - Permit cross-channel, cross-promotion of specific programs and PEG Network channels.
 - Expand coverage of County news and events, particularly actions taken by the County Council, Montgomery County Government agencies, the Montgomery County Public School Board and system.

These coordinated approaches have enabled all the PEG stations as a whole to realize cost efficiencies which have in turn been used to support mid-year budget reductions and to offset the impacts of further FY11 proposed budget reductions.

The PEG Network has reviewed other consolidation suggestions including any opportunities for a common, consolidated studio. Based on an exhaustive investigation, it has been determined that this opportunity is not a feasible option at the present time:

- Logistically, it would be difficult for Council members to find additional time to tape interviews at an off-site studio. Conversely a significant portion of CCM production personnel time is spent filming Council sessions in the 3rd floor location.

DTS Responses to Council Staff Questions for FY11 Budget

- MC ITV's mission is to train students to become video professionals. MC has an on-campus studio to provide students with hands-on training. Moving MC to an off-campus location would create a significant hardship for students and adversely impact MC's ability to fulfill its teaching mission.
- MCPS must be able to film the Board of Education meetings at the Carver center and use the Carver Center phone bank to support student call-in shows, such as Homework Hotline.
- AMTV is designed to be a public access center, making edit bays and studio space available on a first-come, first-serve basis for the public. Reserving significant time in the shared studio or edit suites for PEG Network use would adversely impact AMTV's ability to perform its mission. Additionally, regulatory issues create reasons for public access and government facilities.
- Rockville 11's studio space is still analog and too small to support use by other entities.
- MMC's studio is in use 4-6 hours per day and does not have enough available hours accommodate extensive use by other entities.
- Takoma Park CityTV does not have a studio facility but rather a public hearing room that doubles as a community space. In addition, its location in the far southern end of the County makes it an unsuitable location for a shared facility.
- Other facilities that exist are either too small or would provide hardships due to geographic location for their usefulness.

While the practicality of a single physical location can not be demonstrated at this time, we believe the actions that support the logical aspects of collaboration will continue as demonstrated by the accomplishments listed above.

7. **In the Cable Plan, MCPS and MC are funded at the same level as last year. Why, at a time when DTS is absorbing an 18% cut? An 18% cut to those agencies based on equity, as well as prior history, would yield \$522,000 of savings.**

Response:

The Cable Fund is a non-tax supported fund. Ninety-five percent of the Cable Fund revenues are generated from cable subscriber fees and in the CE Recommended budget, sixty-six percent of expenditures are directed towards cable services. As noted in the Cable Plan, excluding municipal payments, General Fund transfers and CIP funding established by the FiberNet CIP, overall cable expenditures were reduced by four percent in the FY11 CE Recommended Budget.

As the table below demonstrates, AMTV has absorbed a three percent reduction, MCPS a four percent reduction, CCM a six percent reduction, and MC a twenty-one percent reduction. The Cable Fund provides funding to the four County-funded PEG stations as direct individual line items and also provides funding for equipment purchases for each of these stations through the PEG Network. In developing the budget, each of the four stations was asked to provide a budget reduction through a combination of cuts to direct line items for personnel and operating and/or cuts to a proportionate share of PEG Network Equipment Replacement funding. MCPS and MC opted to significantly reduce PEG equipment funding to meet the budget reduction.

DTS Responses to Council Staff Questions for FY11 Budget

FY10	AMTV	CCM	MC	MCPS
Cable Fund – Personnel	\$1,871,440	\$1,171,659	\$1,140,940	\$1,384,510
Cable Fund – Operating	\$195,000	\$951,848	\$179,000	\$197,000
Cable Fund – Rent	\$496,000			
Cable Fund – New Media		\$95,800		
Cable Fund – PEG Network Equipment	\$220,000	\$220,000	\$220,000	\$220,000
Cable Fund – Closed Captioning	\$0	\$312,350		
MC/MCPS – Closed Captioning			\$2,300	
MC/MCPS – Support			\$927,813	\$635,869
TOTAL	\$2,782,440	\$2,751,657	\$2,470,053	\$2,437,379

FY11 CE REC	AMTV	CCM	MC	MCPS
Cable Fund – Personnel	\$1,869,210	\$1,614,389	\$1,173,940	\$1,392,510
Cable Fund – Operating	\$83,000	\$506,350	\$140,000	\$189,000
Cable Fund – Rent	\$507,000			
Cable Fund – New Media	\$6,000	\$62,330	\$6,000	
Cable Fund – PEG Network Equipment	\$220,717	\$187,017	\$98,927	\$73,000
Cable Fund – Closed Captioning	\$0	\$224,988	\$18,200	\$40,000
MC – Closed Captioning			\$2,300	
MC Support			\$508,160	
MCPS Support				\$635,869
TOTAL FY11	\$2,685,927	\$2,595,074	\$1,947,527	\$2,330,379

FY11 Reduction	(-\$96,512)	(-\$156,582)	(-\$522,525)	(-\$107,000)
% Reduction	(-3%)	(-6%)	(-21%)	(-4%)

Council Analyst Proposed FY11 18% Reduction	AMTV	CCM	MC	MCPS
Cable Fund – Personnel	\$1,869,210	\$1,614,389	\$936,350	\$1,107,838
Cable Fund – Operating	\$83,000	\$506,350	\$140,000	\$189,000
Cable Fund – Rent	\$507,000			
Cable Fund – New Media	\$6,000	\$62,330	\$6,000	
Cable Fund – PEG Network Equipment	\$220,717	\$187,017	\$98,927	\$73,000
Cable Fund – Closed Captioning	\$0	\$224,988	\$18,200	\$40,000
MC – Closed Captioning			\$2,300	
MC Support			\$508,160	
MCPS Support				\$635,869
TOTAL FY11	\$2,685,927	\$2,595,074	\$1,709,938	\$2,045,707

FY11 Reduction	(-\$96,512)	(-\$156,582)	(-\$760,114)	(-\$391,671)
% Reduction	(-3%)	(-6%)	(-31%)	(-16%)

DTS Responses to Council Staff Questions for FY11 Budget

As a direct result of the individual reductions across the PEG channels, the PEG budget has been reduced by almost \$900K. The ability for the reductions taken by the PEG partners is a direct result of the collaborative efforts that no longer look at the budgets as a silo, but simply categorize how these partners will use the allocated funds. This method is in direct response to Council's recommendations to continue the promotion of shared solutions while providing the funding necessary to continue to accomplish each channels core missions.

If the Council implements an additional 18% reduction of the budget for MC and MCPS, it would place a disproportionate burden on MC and MCPS, who parent entities are also facing significant budget cuts, and will result in significant staff and service reduction:

- The 21 MC staff members provide 6,463 hours of direct hands-on, on the job training for students. And 18% cut would eliminate 6 positions and result in the elimination of Spanish language programming and voiceovers, reduced student training, elimination of coverage of MC Athletics, reduce Art & Humanities coverage by 65%, and reduce MC's ability to collaborate with other PEG Network members.
- The 13 MCPS full-time employees would be reduced by 3.5 positions and result in the elimination of production of the Cultural Competencies program series, Spanish language talk show "Diez Minutos," Education Matters and Our Schools Today. These two later programs are presented in 6 languages with closed captioning.

8. **Given the 47% reduction in DCM, what will be the oldest computers at the end of FY2011? Oldest servers? Oldest equipment line replaced through DCM? And are these ages sustainable? What is expected cost to repair/keep them going, and how do the expected higher maintenance costs over the life time compare with the short term savings?**

Response:

The 47% reduction in DCM is comprised of several elements, including deferral of PC and enterprise server acquisitions, DCM contract reductions with service level impacts, and IT contractor and software maintenance reductions. The projected inventory ages are as follows:

Projected Computer Age at the end of FY11				
2years	3 years	4 years	5 years	over 5 years
3%	17%	34%	32%	14%

Projected Server Age at the end of FY11					
2 years	3 years	4 years	5 years	6 years	over 6 years
10%	5%	7%	10%	19%	49%

DCM maintains that long-standing best practices for PC replacement – every 4 years – should not change for long-range budget planning. Industry research from Gartner indicates that longer replacement cycles lead to higher total costs of ownership and complexity, due to the need to support and maintain a greater number of hardware models and numerous versions of software applications, operating systems, and system images, and to provide staff training for these platforms. Further, enterprise servers,

DTS Responses to Council Staff Questions for FY11 Budget

storage and other infrastructure equipment need to be replaced when they reach end of life and experience increased failures or can no longer run current operating systems and applications.

Reduction of equipment replacements will increase the likelihood of system failures and outages. It will also increase current maintenance costs and future replacement costs when more will need to be replaced in a shorter amount of time. The total expected cost to repair/keep PC's going depends on the number of and types of failures.

In FY11, departments will be required to fund emergency PC acquisitions as well as critical repairs due to the DCM budget reduction. DCM will keep a very small number of systems in inventory to mitigate operational risks caused by PC failures. The short-term savings associated with deferring PC acquisitions for 1 year are substantial. Assuming full or partial restoration of the DCM PC acquisition budget in FY12 as well as lower than or average PC failure rates, these short-term savings outweigh the expected maintenance costs.



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

March 24, 2010

TO: Jerry Weast, Superintendent, Montgomery County Public Schools
Hercules Pinkney, Interim President, Montgomery College
Royce Hanson, Chairman, Montgomery County Planning Board
Jerry Johnson, General Manager, Washington Suburban Sanitary Commission
Steve Farber, Staff Director, Office of the County Council

FROM: Timothy L. Firestine, Chief Administrative Officer

SUBJECT: Cross-Agency Resource-Sharing Committee

Thank you for your participation in the Cross-Agency Resource-Sharing discussion on February 3rd. These are difficult times and the financial challenges before us are significant. As we agreed, the current budget situation offers us an opportunity to reexamine the way in which County government functions in order to be more efficient and effective. This is a great opportunity to work together and reach an unprecedented level of collaboration and partnership towards structurally improving our long-term budget challenges. To this end, I am offering the following for your review and comments before we formalize this process:

Overall Purpose: The purpose of the Cross-Agency Resource Sharing Committee is to provide a forum for coordination among Montgomery County agencies that seeks to share ideas/best practices, develop potential resource-sharing strategies to achieve operational efficiencies, reduce costs, and improve the quality of services offered to our residents.

Organizational Framework: It is essential that we create a framework that encourages cooperation and collaboration among our employees involved in this process, and also leverages the expertise of our organizations in a manner that generates new and creative ideas and fosters strong working relationships among our agencies. Therefore, I propose a two-tier organizational framework that contains an Executive Committee that is accountable for achieving results in a timely and transparent fashion, and a number of workgroups that will apply their expertise to sharing ideas and generating solutions to pressing issues faced by all of our agencies.

Executive Committee: The executive Committee will be composed of the following members with the authority to convene meetings on a quarterly basis, provide direction and act on the recommendations of each of the workgroups, and render decisions on future action items. The Executive Committee will also appoint representatives from their agency to serve on each of the workgroups.

- Timothy Firestine, Chief Administrative Officer, Montgomery County Government
- Jerry Weast, Superintendent, Montgomery County Public Schools
- Hercules Pinkney, Interim President, Montgomery College
- Royce Hanson, Chairman, Montgomery County Planning Board
- Jerry Johnson, General Manager, Washington Suburban Sanitary Commission
- Steve Farber, Staff Director, Office of the County Council

Workgroups: The workgroups will be composed of a representative from each of the agencies. Each workgroup will nominate a member to serve as the Workgroup Chair, who will have the responsibility of guiding overall efforts and reporting on the group's progress to the Executive Committee. The workgroups will meet on as-needed basis, to complete action items and foster the creation of new ideas.

Workgroups' Focus Areas: As we agreed at our February 3rd meeting, the initial cross-agency resources-sharing efforts will be focused on the following areas:

1. Information Technology – *utilize ITPCC*
2. Utilities – *utilize ICEUM*
3. Facilities Planning, Design, Construction and Maintenance
4. Procurement – *utilize IPACC*
5. Space Utilization
6. Fleet
7. Mailing, Printing and Document Management
8. Employees and Retirees Benefit Plans (health, retirement, etc.)
9. Administrative Functions (payroll, budget, finance, training, etc.)

Next Steps:

- By Friday, April 9th, members of the Executive Committee will come to agreement on the above-proposed organizational framework and workgroups' focus areas and designate representatives to serve on each of the eight workgroups.
- By the end of April, convene the first Cross-Agency Resource-Sharing Executive Committee kick-off meeting to provide direction and discuss the overall purpose, process and timelines for this effort. Select a chairperson for each of the workgroups.
- In order to encourage ideas from those with the greatest knowledge of their subject matter, initial action items and charge statements should be devised by each workgroup.

and subsequently presented to the Executive Committee at its first quarterly update meeting. Each workgroup should generate a list of both short-term (able to complete within one year) and long-term action items that will focus the efforts of each group. In addition to preparing action items, each workgroup should create a specific charge statement to guide their efforts. These charge statements could change from year to year as the workgroups prioritize different aspects of their specific topic areas.

- On quarterly basis, the Executive Committee meets to receive updates, provide directions and discuss progress made by each workgroup.
- In addition, I suggest we reach out to the community at large (business, residential, non-profit) to seek their input and guidance in this effort.

I look forward to working with you on this initiative. Please review the above-proposed process, provide any comments/suggestions you have about the process, as well as the name of the representative you designate to serve on each of the eight workgroups to Assistant Chief Administrative Officer Fariba Kassiri via e-mail at Fariba.Kassiri@montgomerycountymd.gov by Friday, April 9th. Upon receipt, she will compile and send you a complete package and notify you of the date and time of our first Executive Committee kick-off meeting. She can be reached by phone at (240) 777-2512 if you have any questions or need additional information.

Thank you for your help in this important effort. I believe we all see opportunities for greater efficiencies and I am hopeful that working together we can make these improvements for the good of our community.

TLF:st