



Houston Information Technology Services (HITS)

**FY2021 Proposed Budget Presentation
Central Service Revolving Fund (1002)**

May 13, 2020

Program Organizational Chart (in thousands)



Revolving Fund Projected Budget \$84,867
FTEs: 211.7

Director & Resource Mgmt.	Enterprise Infrastructure Services	Public Safety Radio Comm.	Enterprise Applications Services	CSMART / Municipal Courts
\$6,565 FTEs: 21.3 <ul style="list-style-type: none"> Enterprise IT Governance & Strategic Planning City Council coordination Public information requests Enterprise contract administration Asset management Records management Administrative support 	\$41,885 FTEs: 63.1 <ul style="list-style-type: none"> Enterprise Data Network services & maintenance Telephone / Voice services & maintenance Data Centers User account services Servers & Storage Desktop & field support Enterprise messaging & Office 365 support IT Service Desk Public Safety/HEC infrastructure support 	\$6,773 FTEs: 29.3 <ul style="list-style-type: none"> Radio Communications Subscriber Services (mobile and portable radio configuration, deployment, and repair) Field Services & Radio Network Operations Center (radio system engineering & support) Radio Training 	\$20,365 FTEs: 61.2 <ul style="list-style-type: none"> Enterprise application platform support for citywide financial, HR & procurement (SAP) Enterprise Geographical Information System (GIS) Citywide websites and intranet development & maintenance Database Services Data Marts, data warehouse, open data portal Enterprise document management & workflow (OnBase) Public Safety/HEC application services, includes 911 Computer Aided Dispatch application maintenance & support 	\$1,970 FTEs: 11.6 <ul style="list-style-type: none"> System Administration Maintenance & Technical Support
Cybersecurity				Project Management
\$4,699 FTEs: 9.7 <ul style="list-style-type: none"> Enterprise Cybersecurity policy, vulnerability management, & incident response 				\$ 2,610 FTEs: 15.5 <ul style="list-style-type: none"> Project Management Technology CIP coordination IT Governance

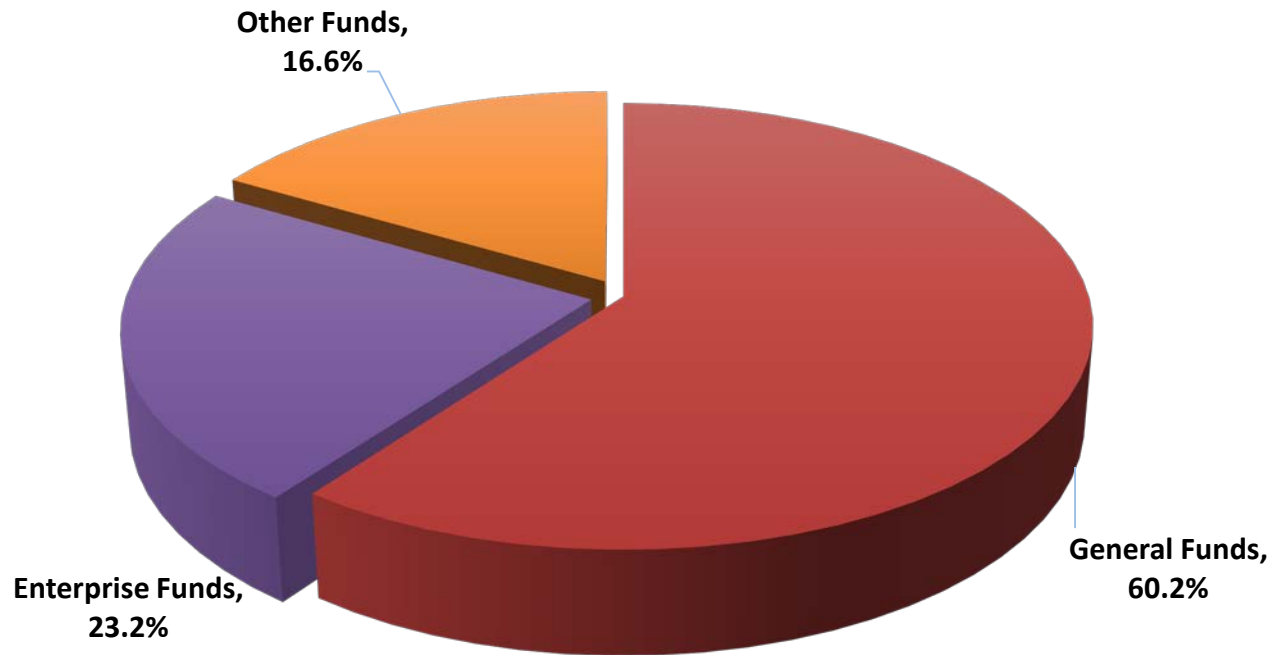
HITS General Fund Revenues Overview

(\$ in thousands)



Category	FY19 Actual	FY20 Projected Current Budget	FY 20 Estimates	FY21 Projected	Variance FY21 Prop/FY20 Estimates	% Change
Charges for Services	1,570	1,690	1,690	-	(1,690)	-100%
Direct Interfund Services	132	132	132	-	(132)	-100%
Miscellaneous/Other	79	-	-	-	-	0%
Total	1,781	1,822	1,822	0	(1,822)	-100%

FY2021 Revolving Fund Revenues (General Fund vs Other Funds)



HITS Revolving Fund Revenues Overview (\$ in thousands)



Category	FY19 Actual	FY20 Projected Current Budget	FY 20 Estimates	FY21 Projected	Variance FY21 Prop/FY20 Estimates	% Change
Charges for Services (Citywide KRONOS)	-	-	1,253	1,300	47	3.8%
Direct Interfund Services	46,642	68,718	67,499	79,894	12,395	18.4%
Miscellaneous/Other (Citywide EGIS)	3,010	3,132	3,098	3,673	575	18.6%
Total	49,652	71,850	71,850	84,867	13,017	18.1%

HITS Expenditures By Category/Consolidated (\$ in thousands)



Category	FY19 Actual	FY20 Projected Current Budget	FY20 Estimates	FY21 Projected Budget	Variance FY21 Projected Budget/FY20 Projected Current Budget	% Change
Personnel	21,968	26,199	25,068	28,653	2,454	9.4%
Supplies	449	626	609	843	217	34.7%
Restricted Accounts*	4,116	3,441	3,407	4,245	804	23.4%
Services (contracts)	38,100	48,140	49,254	50,946	2,806	5.8%
Equipment	1,133	158	158	180	22	13.9%
Transfers/Debt Payment	-	-	-	-	-	0%
Total	65,766	78,564	78,496	84,867	6,303	8.0%

*Restricted Accounts -Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc.
See appendix for more details

HITS Revolving Fund Expenditures By Category (\$ in thousands)



Category	FY19 Actual	FY20 Projected Current Budget	FY20 Estimates	FY21 Projected Budget	Variance FY21 Projected Budget/FY20 Projected Current Budget	% Change
Personnel	11,083	22,870	21,801	28,653	5,783	25.3%
Supplies	(10)	218	201	843	625	286.7%
Restricted Accounts*	2,057	2,842	2,839	4,245	1,403	49.4%
Services (contracts)	35,419	45,762	46,851	50,946	5,184	11.3%
Equipment	1,103	158	158	180	22	13.9%
Transfers/Debt Payment	-	-	-	-	-	0.0%
Total	49,652	71,850	71,850	84,867	13,017	18.1%

*Restricted Accounts -Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc.
See appendix for more details

HITS General Fund Expenditures By Category (\$ in thousands)



Category	FY19 Actual	FY20 Projected Current Budget	FY20 Estimates	FY21 Projected Budget	Variance FY21 Projected Budget/FY20 Projected Current Budget	% Change
Personnel	10,885	3,329	3,267	-	(3,329)	-100%
Supplies	459	408	408	-	(408)	-100%
Restricted Accounts*	2,059	599	568	-	(599)	-100%
Services (contracts)	2,681	2,378	2,403	-	(2,378)	-100%
Equipment	30	-	-	-	-	0%
Transfers/Debt Payment	-	-	-	-	-	0%
Total	16,114	6,714	6,646	-	(6,714)	-100%

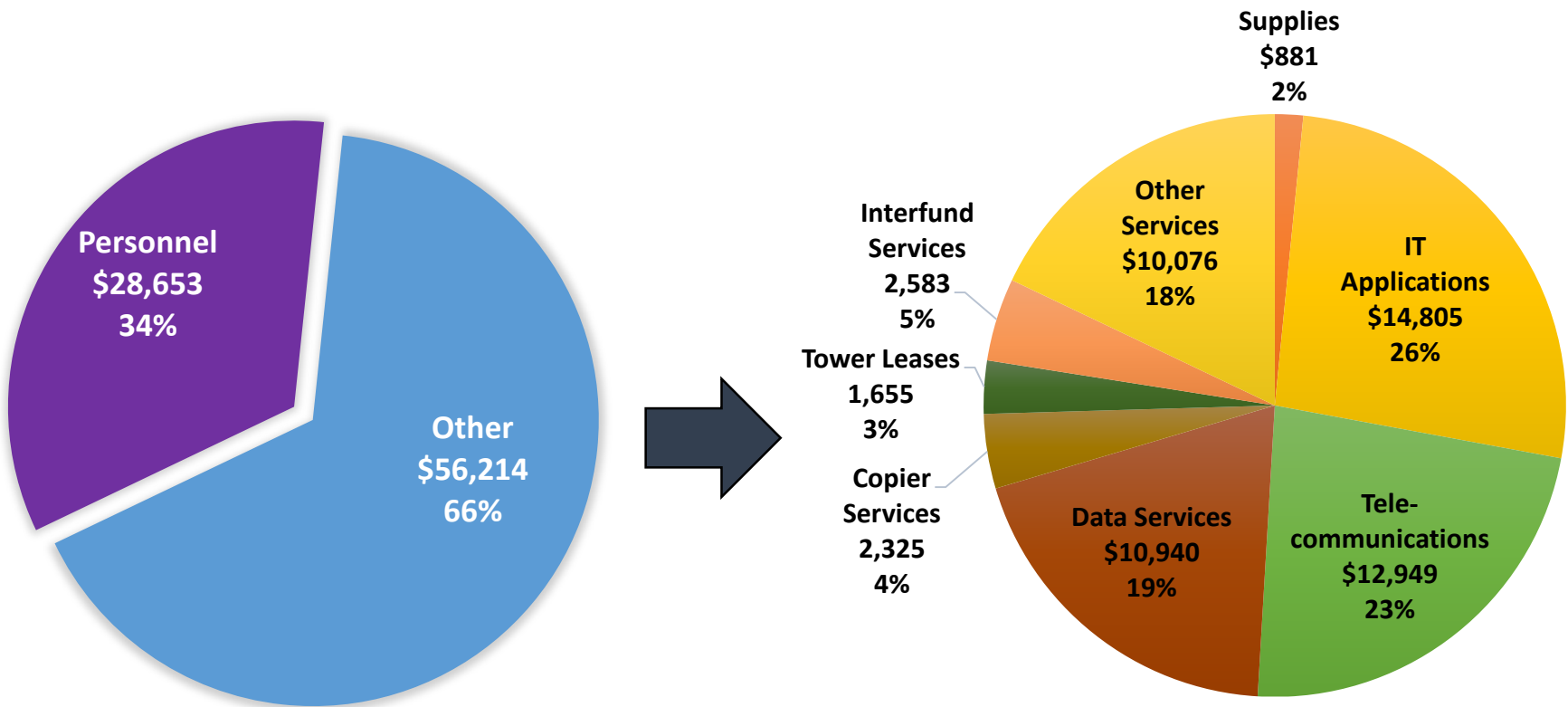
*Restricted Accounts -Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc.
See appendix for more details

FY2021 Personnel vs Non-Personnel

(\$in thousands)



FY2021 Proposed Budget \$84,867



FY2021 Budget Expenditures Net Change (in thousands)



\$ in Thousands

FY2021 Projected Revolving Fund Budget Expenditures Net Change to FY2020 Projected Current Budget		
FY2020 Current Budget		Notes
Operating Budget	\$ 70,905	
Restricted Budget	945	1
FY2020 Projected Current Budget	\$ 71,850	
Explanation of FY2020 Incremental Increase/(Decrease)		
Operating Budget Adjustments		
Budget reduction initiatives	-	
Personnel budget utilization savings	-	
Subtotal Operating Budget Adjustments	\$-	
% Change from FY20 Operating Budget	0.00%	
Contractual or Mandated Adjustments:		
Transferred from General Fund Budget (Radio Communications) to Revolving Fund	\$ 6,772	
Personnel Cost (HOPE, Pension, Health, etc)	2,286	
Program Adjustment	3,959	
Subtotal Contractual/Mandated Increases	\$ 13,017	
FY2021 Proposed Budget		
Operating and Contractual Adjustments	\$ 13,017	
FY2021 Projected Budget	\$ 84,867	
% Change from FY20 Current Budget	18.1%	
Notes:		
1. Restricted Budget includes service chargeback accounts for items such as fuel, electricity, IT accounts etc.		



HITS Budget History/Consolidated

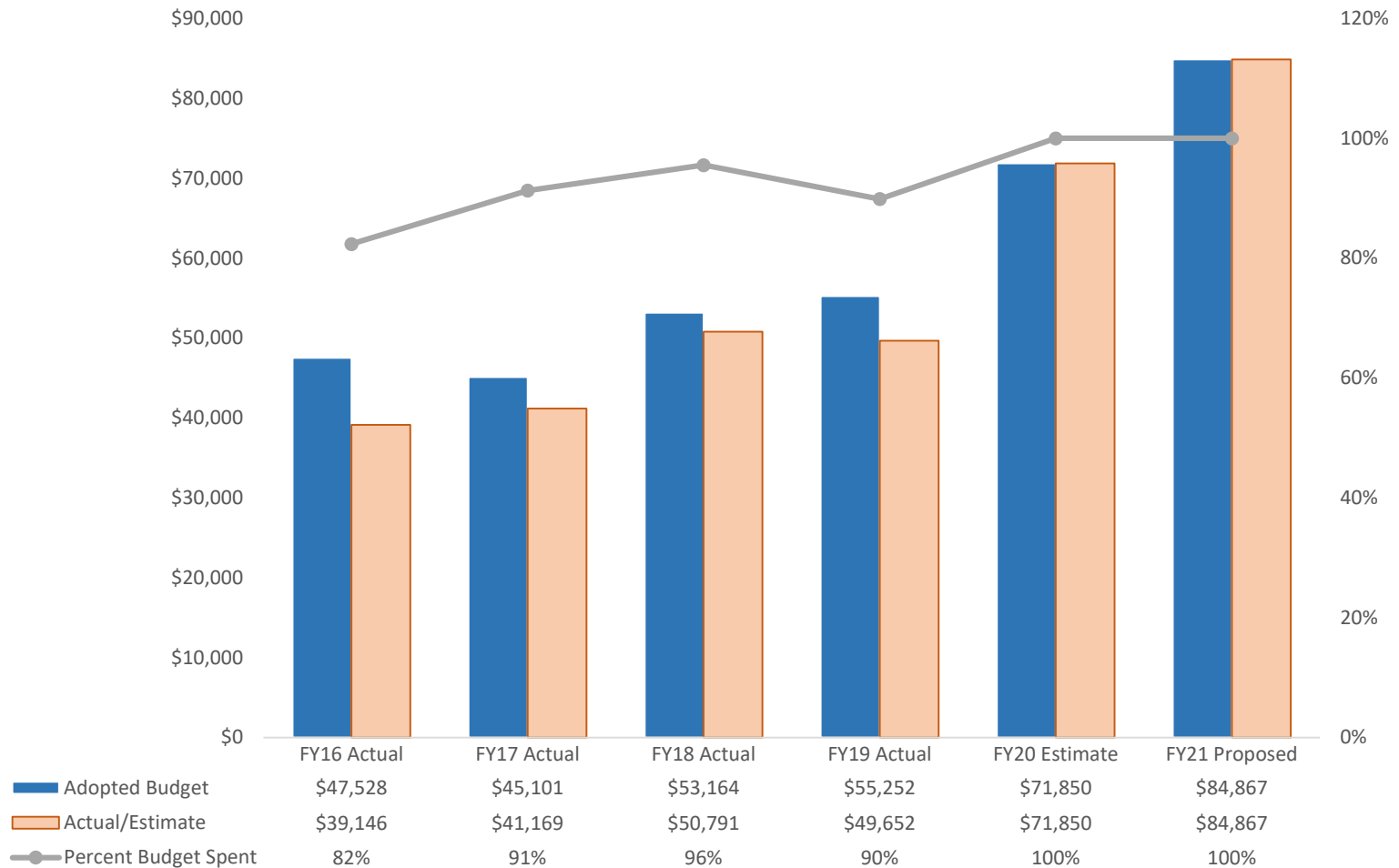
HITS Department Total





Budget History Breakdown

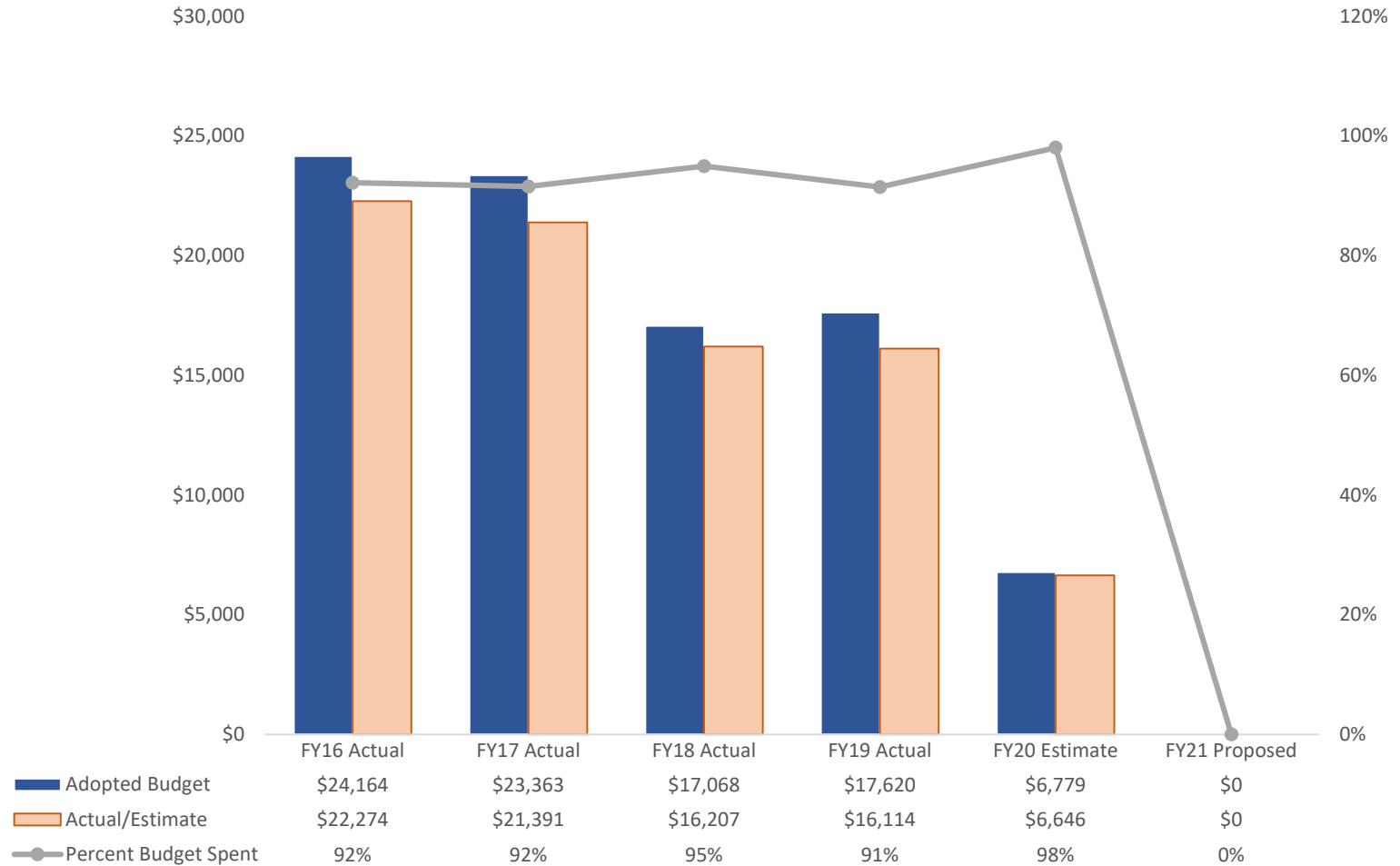
HITS Revolving Fund (1002)





Budget History Breakdown

HITS General Fund (1000)





Program Details

Program 1 (in thousands)

Director's Office



Program Name:	Director's Office
Program Description:	Provides citywide IT services including governance and strategic planning; contract administration, compliance, spending analysis, and invoice processing; technology capital planning; asset management; technology procurement coordination; HITS and citywide support for open records requests.
Program Deliverables:	<ul style="list-style-type: none"> The HITS Director is responsible for overall citywide technology strategy and IT Governance processes. Chairs the IT Operating Committee and provides steering direction for the IT Governance Board required by Executive Order 1-44. The Resource Management Division administers 84+ citywide IT contracts and purchasing agreements that serve all COH department, Office of the Mayor, and City Controller. Processed 320 open records requests in calendar year 2019.
Plan Houston:	Spend money wisely, Sustain Quality Infrastructure, Communicate clearly and with transparency
Staffing / FTE Count:	21.3 FTEs
Significant Changes:	Increase in this program is primarily due to contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Projected Budget*
\$7,306	\$5,078	\$6,691	\$6,565

* FY2021 projected budget represents funding to continue the level of services currently provided

Program 2 (in thousands)

Cybersecurity



Program Name:	Cybersecurity
Program Description:	Provides information security strategy, governance, operations, and incident response.
Program Deliverables:	The COH Cyber Division developed a 4-year Cybersecurity master plan covering FY18-21. The FY21 area of focus is on leveraging automation, artificial intelligence and machine learning to identify, protect, detect, respond and recover from cyber threats from nation states, organized criminals, hacktivist groups and insiders.
Plan Houston:	Sustain Quality Infrastructure
Staffing / FTE Count:	9.7 FTEs (Cyber operations = 5; Infrastructure security support =2; Training & records retention = 2; HHD ISO = 1)
Significant Changes:	Increase in this program includes planned expansion of City's cybersecurity program, addition of new HHD Information Security Officer position, and contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Projected Budget*
\$2,256	\$3,488	\$3,455	\$4,699

FY2021 Enhancements Requested **	Comment
\$457k	<ul style="list-style-type: none"> Ransomware solution for additional layer of prevention/protection from increasingly aggressive, destructive & targeted ransomware attacks
\$ 82k	<ul style="list-style-type: none"> Incident response services to support response and recovery in the event of a major cyber attack

* FY2021 projected budget represents funding to continue the level of services currently provided and approved

** Items that are not included in the FY2021 Projected Budget may include initiatives enhancements to expand program or/and reduction initiatives as part of efficiencies.

Program 3 (in thousands)

Enterprise Infrastructure Services (EIS)



Division Name:	Enterprise Infrastructure Services (EIS)
Program Description:	Responsible for building next generation IT infrastructure and capabilities to enhance capacity, agility and resilience of the City's technology systems and services. Manages the City's enterprise data network and telecommunications infrastructure, internet access, server and storage platforms (both on premise and in cloud service provider environments), data centers, end user computing, O365 e-mail and user authentication, and a variety of system management tools.
Program Deliverables:	Maintains 3 citywide data centers, enterprise data network comprised of 1,500+ network nodes supporting 60,000+ devices, multiple cloud IaaS & PaaS platforms, 900+ servers, 1.3 PB storage capacity, 15,000+ VoIP telephones; 4 major call centers and 33 total call centers, Office 365 enterprise messaging, active directory and O365 applications for 15,000+ users.
Plan Houston:	Sustain Quality Infrastructure
Staffing / FTE Count:	63.1 FTEs
Significant Changes:	Increase in this program is primarily due to contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Projected Budget*
\$31,666	\$41,224	\$40,144	\$41,885

* FY2021 projected budget represents funding to continue the level of services currently provided

Program 4 (in thousands)

Public Safety Communications



Program Name:	Public Safety Communications
Program Description:	Provides planning, management, and operations for the City's mission critical public safety radio communications infrastructure and end-user devices including portable (handheld), mobile (in-car) and console radios within the Houston Emergency Center. Supports Police, Fire, Emergency Management, Public Works, Solid Waste and other departments. Manages infrastructure, applications and radio communications on 24/7/365 basis. Provides on-scene support during activations of the City's Emergency Operations Center and special events.
Program Deliverables:	HITS maintains one of the nation's largest P25 mobile and base-station radio systems, including more than 50 tower sites, 20,000 COH radios, 15,000 radios for external agencies, and processes approximately 72 million radio transmissions annually. FY20 system up-time (through April) is 99.9973%. The team also manages fee-based services for 30+ outside agencies including other local government police and fire, independent school district police, and Johnson Space Center. These services generate approximately \$1.8M in revenue for the City.
Plan Houston:	Sustain Quality Infrastructure
Staffing / FTE Count:	29.3 FTEs
Significant Changes:	This team's budget migrated from the General Fund in FY20 to Revolving Fund in FY21. Increase in this program is primarily due to contractual obligations including HOPE pay raise, pension cost, and health benefits.

FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Projected Budget*
\$5,632	\$6,714	\$6,646	\$6,773

* FY2021 projected budget represents funding to continue the level of services currently provided

Program 5 (in thousands)

Enterprise Applications Services (EAS)



Division Name:	Enterprise Applications Services (EAS)
Program Description:	EAS is comprised of Enterprise Resource Planning (SAP), Data Management, Enterprise GIS, Enterprise Data Analytics, and Cloud and 3rd Party Application Management. Each is responsible for the ongoing support of numerous applications and tools that enable city-wide and departmental business functions.
Program Deliverables:	Application portfolio of consisting of 120 applications, 98 websites, 504 Databases, 250 interfaces to 3rd party applications, 246 Open Datasets, and 450 reports/dashboards
Plan Houston:	Sustain Quality Infrastructure; Communicate clearly and with transparency.
Staffing / FTE Count:	61.2 FTEs
Significant Changes:	Increase in this program is primarily due to contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Projected Budget*
\$15,741	\$18,518	\$18,187	\$20,365

FY2021 Enhanced Package**	Comment
<ul style="list-style-type: none"> • \$600k • \$421k • \$150k • \$300k 	<ul style="list-style-type: none"> • Provides additional professional services to support HFD, ARA & DON to support new and updated permitting & inspection reqm'ts in the City's Infor Public Sector system for license/permit/inspection • Professional services to critical operational and project-related modifications to Finance / HR / Procurement (SAP) and GIS (ESRI) environments • Social media citizen sentiment tracker (Zen City) • Project Management professional services

* FY2021 projected budget represents funding to continue the level of services currently provided

** Items that are not included in the FY2021 Projected Budget may include initiatives enhancements to expand program or/and reduction initiatives as part of efficiencies.

Program 6 Client Solutions (in thousands) (CSMART / Municipal Courts)



Program Name:	Client Solutions - CSMART
Program Description:	Manages the planning, operations and maintenance of the Court System for Management of Resources and Technology (CSMART). Includes administration of multiple servers and storage environments, payment and image system management, document scanning and database management.
Program Deliverables:	Processes 90 million courts transactions annually, including: 15,000 bookings; 1.3 million new citations annually; 1.4 million new cases annually, 1.3 million new judgments annually. Over the past 5 years generated an average of \$35M revenue annually.
Plan Houston:	Sustain Quality Infrastructure; Communicate clearly and with transparency.
Staffing / FTE Count:	11.6 FTEs
Significant Changes:	Increase in this program is primarily due to contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Projected Budget*
\$1,420	\$1,639	\$1,513	\$1,970

FY2021 Enhanced Package**	Comment
\$500k	Modernize CSMART application to optimize the ongoing maintenance and support.

* FY2021 projected budget represents funding to continue the level of services currently provided

** Items that are not included in the FY2021 Projected Budget may include initiatives enhancements to expand program or/and reduction initiatives as part of efficiencies.

Program 7 (in thousands)

Project Management Office (PMO)



Program Name:	Project Management Office (PMO)
Program Description:	Provide IT project governance, scope development, and performance metrics. Ensures strategic alignment with Plan Houston and the HITS technology strategic plan.
Program Deliverables:	Responsible for delivering IT projects within the expected scope, schedule, budget, and quality.
Plan Houston:	Spend money wisely
Staffing / FTE Count:	15.5 FTEs
Significant Changes:	Increase in this program is primarily due to contractual obligations including HOPE pay raise, pension cost, and health benefits

FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Projected Budget*
\$1,745	\$1,903	\$1,860	\$2,610

FY2021 Enhanced Package**	Comment
\$300k	To hire contract project management resources for IT consolidation and assessment processes

* FY2021 projected budget represents funding to continue the level of services currently provided

** Items that are not included in the FY2021 Projected Budget may include initiatives enhancements to expand program or/and reduction initiatives as part of efficiencies.



Appendix

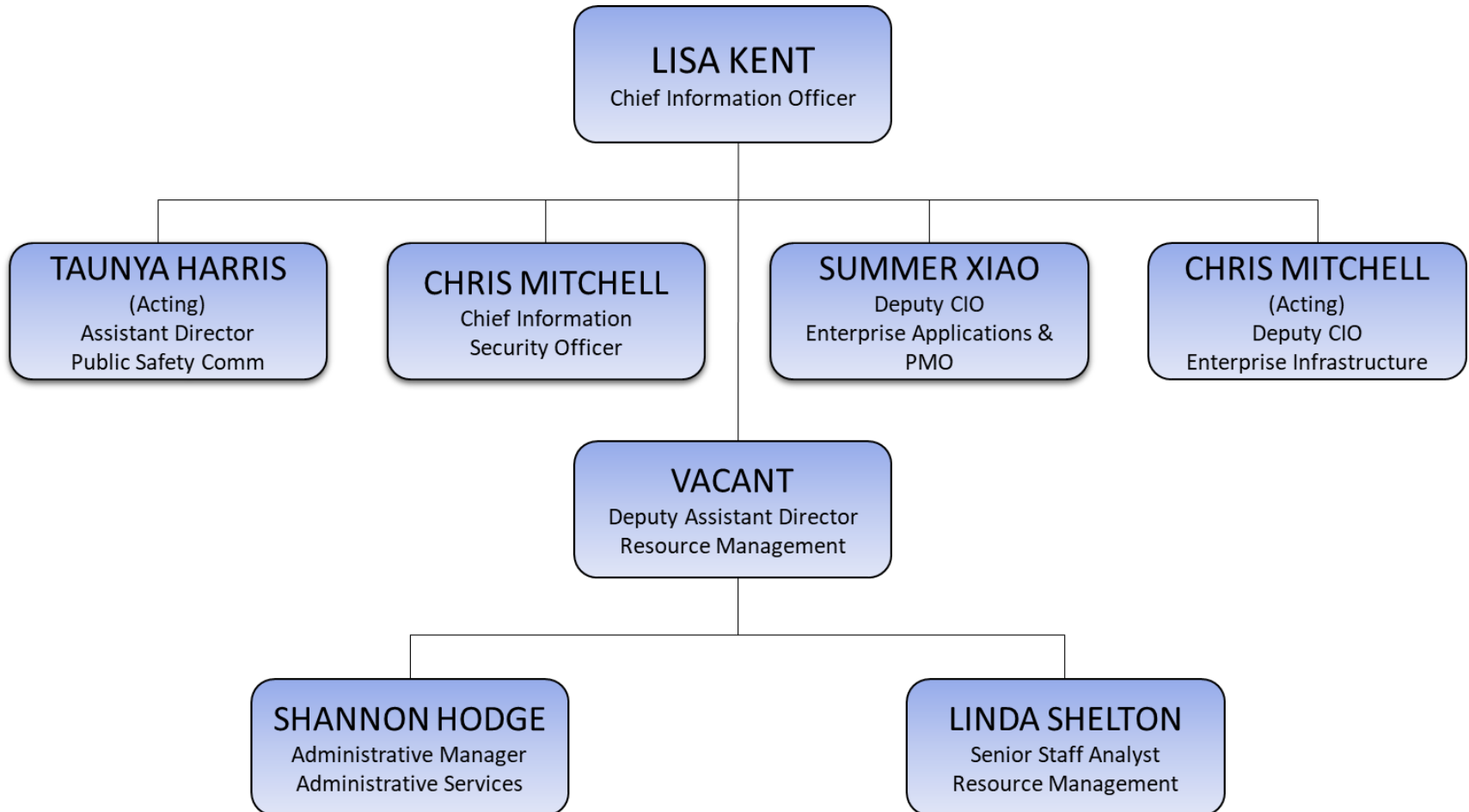


Appendix

- Contents:
 - Department Org Chart
 - Department demographic breakdown (gender & ethnicity)
 - General Fund (1000) Net Change
 - Restricted Accounts Details
 - Accomplishments
 - Optional - Relevant operating information, examples:
 - Customer satisfaction surveys
 - Productivity or throughput trends impacted by recent initiatives
 - Special Considerations
 - Unmet Needs

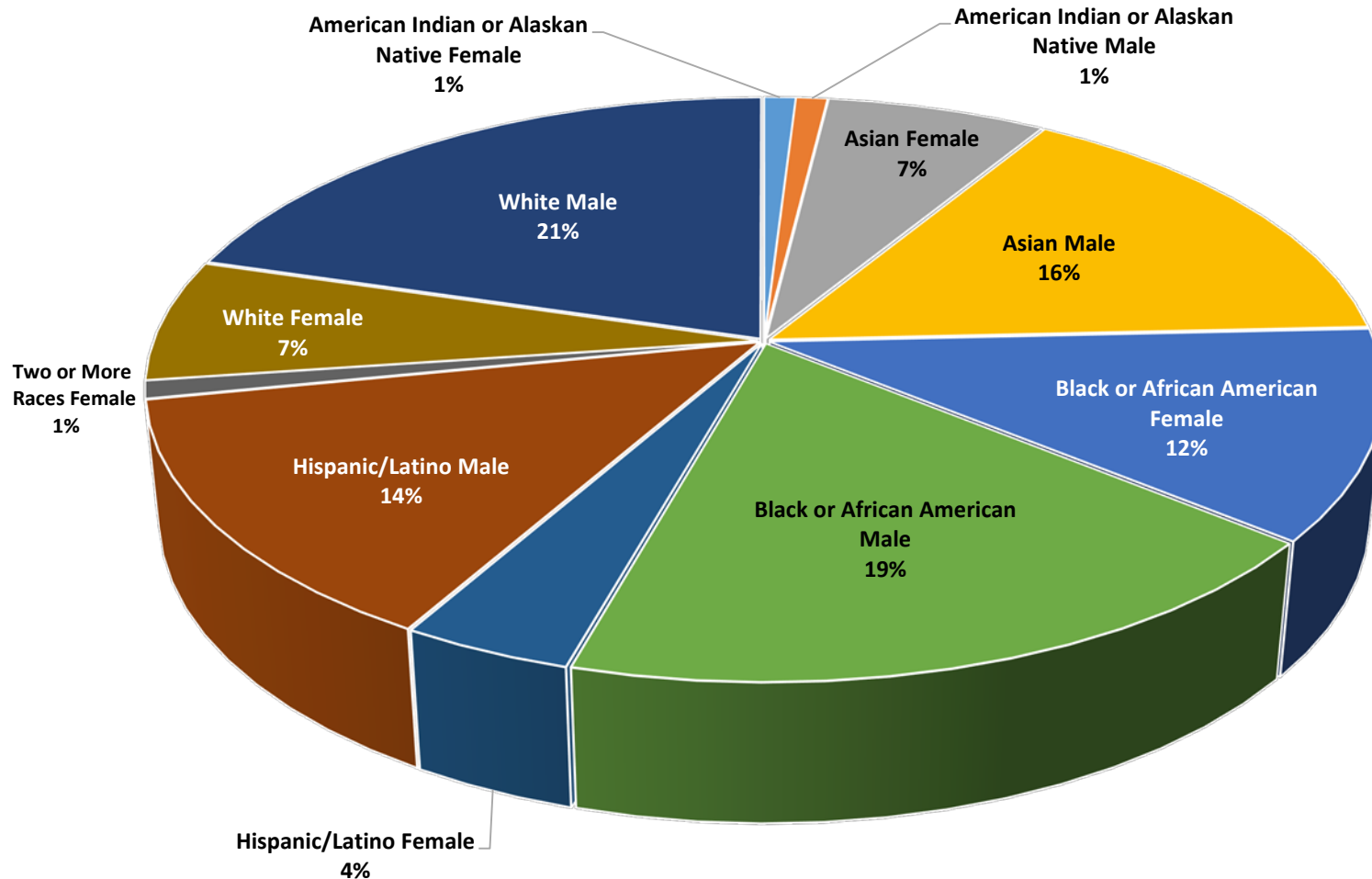


HITS ORGANIZATIONAL CHART





HITS DEMOGRAPHICS



FY2021 Budget Expenditures Net Change (in thousands)



\$ in Thousands

FY2021 General Fund Budget Expenditures Net Change to FY2020 Current Budget		
FY2020 Current Budget		
Operating Budget	\$ 6,071	<u>Notes</u>
Restricted Budget	643	
FY2020 Current Budget	\$ 6,714	
Explanation of FY2020 Incremental Increase/(Decrease)		
Operating Budget Adjustments		
Budget reduction initiatives		
Personnel budget utilization savings	-	
Subtotal Operating Budget Adjustments	\$ -	
% Change from FY20 Operating Budget	0.0%	
Contractual or Mandated Adjustments:		
Health Benefits Active Civilian	\$ -	
Health Benefits Active Classified (if applicable)	-	
Municipal Pension	-	
Classified Pension (if applicable)	-	
Restricted Accounts	(65)	
Adjustment	7	2
Transferred to HITS Revolving Fund	6,772	
Subtotal Contractual/Mandated Increases	\$ 6,714	
FY2021 Proposed Budget		
Operating and Contractual Adjustments	\$ (6,714)	
FY2021 Proposed Budget	\$ -	
% Change from FY20 Current Budget	(100.0%)	
Notes:		
1. Restricted Budget includes service chargeback accounts for items such as fuel, electricity, IT accounts, etc		
2. Net lower personnel cost for Radio Comm. Group for FY21 transferred to HITS Revolving Fund		



Restricted Account Details


GL Description	Justification & Cost Drivers
Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing
Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature
Insurance Fees	Cost increase for property insurance premium.
Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
GIS Revolving Fund Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS)
Voice Services - Wireless	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
KRONOS Service Chargeback	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS)
Drainage Fee Service Chargeback	Fee is based on impervious service.
Interfund Permit Center Rent Chargeback	The cost include the HPC Point of Sale cost increase for credit card merchant fee, and lease cost increase.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.



HITS Strategic Priorities

The foundation of this plan is to find better ways to leverage and share what is common across the City in terms of technology. It reflects opportunities for HITS to **better engage citizens, inspire and empower employees, optimize government operations, and improve data-driven decision making** through enterprise solutions.

The priorities below represent an alignment of Mayor Turner's vision with HITS' strategic plan.

 Improve CITIZEN ACCESS to City Services	Engage citizens through connected mobile and digital experiences to increase satisfaction and participation.
 Inspire and Empower EMPLOYEES	Inspire and empower employees to do their best work by aligning their skills to the strategy and leveraging the power of mobility and collaboration.
 Optimize GOVERNMENT OPERATIONS	Optimize government operations to ensure security, reliability, resiliency, cost, and operating efficiencies
 Improve DATA-DRIVEN Decision Making	Improve data-driven decision making through better data access across City departments to produce actionable analysis, better decision making, and transparency to citizens.

Strategic Plan



Three-Year HITS Strategic Goals

STRATEGIC PRIORITIES	GOALS
 Improve CITIZEN ACCESS to City Services	Goal 3: Leverage COH assets & capabilities to reduce or eliminate operating expenses, increase the City's competitiveness, and enhance citizen experience. (Go digital, Go mobile, leverage tech & innovation partnerships, reduce costly maintenance & reinvest in the City's digital strategy)
 Inspire and Empower EMPLOYEES	Goal 5: Recruit & develop a top-tiered workforce to foster the city's use of innovative and leading edge solutions. (Technical competency; customer experience mindset; creative learning & research opportunities; innovation through prototyping and next gen tools; team collaboration tools)
 Optimize GOVERNMENT OPERATIONS	Goal 1: Build next generation IT foundation and capabilities to enhance mobility, collaboration, capacity, and agility (infrastructure capacity & resiliency; cloud first where it makes business sense; applications platforms are modern, web-based and scalable) Goal 2: Security & risk management controls align with the City's risk tolerance (4-yr plan; citizen & employee identity; citizen privacy) Goal 3: Leverage COH assets & capabilities to reduce or eliminate operating expenses, increase the City's competitiveness, and enhance citizen experience. (Go digital, Go mobile, leverage tech & innovation partnerships)
 Improve DATA-DRIVEN Decision Making	Goal 4: Leverage data & analytics to extract timely and actionable insights to inform and enhance citizen experience and city operations.