

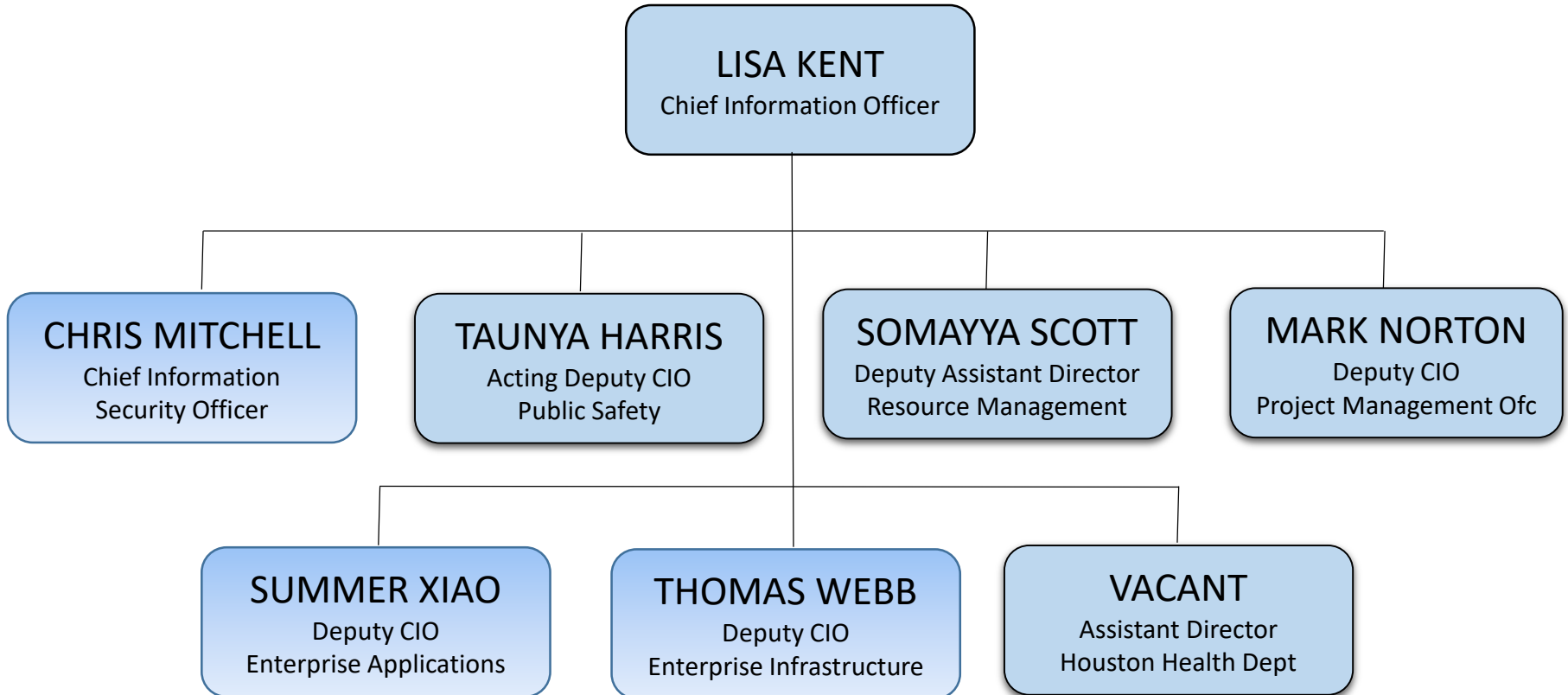


# HOUSTON INFORMATION TECHNOLOGY SERVICES

**FY2020 Proposed Budget Presentation**

May 14, 2019

# HITS Org Chart



# Functional Org Chart (in thousands)



## Revolving Fund \$71,850

## General Fund \$6,779

**Director,  
Cybersecurity &  
Resource Mgmt**

**\$8,716**  
**FTEs: 20.2**

- Enterprise IT Governance & Strategic Planning
- Enterprise Cybersecurity policy, vulnerability management, & incident response
- City Council coordination
- Public information requests
- Enterprise contract administration
- Asset management
- Records management
- Administrative support

**Enterprise  
Applications  
Services**

**\$15,929**  
**FTEs: 57**

- 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)
- IT Service Desk

**Enterprise  
Infrastructure  
Services**

**\$38,410**  
**FTEs: 57.8**

- Enterprise Data Network services & maintenance
- Telephone / Voice services & maintenance
- Data Centers
- User account services
- Servers & Storage
- Desktop & field support
- Enterprise messaging & Office 365 support

**Public Safety  
Communications**

**\$6,779**  
**FTEs: 31.3**

- Radio Communications Subscriber Services (mobile and portable radio configuration, deployment, and repair)
- Field Services & Radio Network Operations Center (radio system engineering & support)
- Radio Training

**Public Safety /HEC**

**\$4,628**  
**FTEs: 19.9**

- Public Safety/ HEC infrastructure support
- 911 Computer Aided Dispatch application maintenance & support

**CSMART /  
Municipal Courts**

**\$1,909**  
**FTEs: 11.6**

- System Administration
- Maintenance & Technical Support

**Project Management**

**\$2,258**  
**FTEs: 15.4**

- Project Management
- Technology CIP coordination
- IT Governance



# Department Programming

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- **Major Services / scale of supported platforms**

- **Enterprise Infrastructure Services (EIS)**

- Enterprise data network - 1,500 nodes; 60,000+ network drops
    - 3 citywide data centers and multiple cloud IaaS & PaaS platforms
    - Server/storage – 900+ servers (60% virtual) and 1.3 PB storage capacity
    - Office 365 enterprise messaging, active directory and O365 applications for 17,000+ users

- **Public Safety**

- One of the nation's largest P25 mobile and base-station radio systems in the country, including more than 50 sites and processing approximately 67 million radio transmissions annually
    - Fee-based radio services for more than 30 outside agencies including other local government police and fire, independent school district police, and Johnson Space Center
    - 911 CAD system processes dispatch tickets and interfaces to multiple police, fire and EMS systems

- **Project Management Office**

- Currently managing 39 active capital and operational projects.
    - Proposed FY20-24 portfolio of 39 capital projects totaling \$31.95M that will be managed by HITS PMO

- **Enterprise Applications Services (EAS)**

- Application portfolio consisting of:
      - 120 applications
      - 98 websites
      - 504 databases
      - 250 interfaces to 3rd party applications
      - 246 open datasets

- **Cyber Security**

- Average collection and processing of 21 billion logs per month
    - Average of ~500+ alarms generated per day
    - Prevents over 25,000 email-based threats per month
    - Weekly average scans of 44.4 Million endpoint files; 20.2 Million IPs



# Department Programming

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- **Statutory requirements of service delivery**

- Municipal Government Code Chapter 2-473 requires HITS to provide enterprise technology services, including radio communications; protect the **confidentiality, integrity, and availability** of city data; provide risk management, security, and operational compliance programs to mitigate and respond to risks that could impact the City's ability to provide citizen services.
- Federal law requires the **protection of certain data classes** (PCI, HIPAA, PII, CJIS, etc.). Penalty fines as well as public disclosure are required for failure to reasonably comply.
- HITS does receive state **UASI grant funding** for both radio communications system enhancements & maintenance, as well as cyber security training.

- **Financial or societal impact of City service delivery**

- HITS provides enterprise IT services that enable **all** city departments and elected officials to conduct financial, human resource, procurement, employee timekeeping transactions, and a variety of other business functions.
- HITS provides **most** citywide citizen-facing systems and portals through web, telephone, and mobile apps.

- **Anticipated growth or reduction in populations served**

- Demand for additional technology services continues to increase as City departments are asked to improve operational efficiencies and performance, as well as increase data transparency between departments and with citizens.
- Citizen demand for increased mobile & digital access to city services and data is increasing.
- HITS will continue to consolidate separate technology procurements into enterprise contracts for improved visibility, efficiency in procurement, and volume pricing
- HITS will continue to consolidate smaller, stand alone department IT functions to improve performance

# Revenues By Funds (\$ in thousands)



Fund	FY18 Actual	FY19 Budget	FY19 Estimates	FY20 Proposed	Variance FY20 Prop/FY19 Estimates	% Change
General Fund	2,166	1,885	1,885	1,822	(63)	-3.3%
Service Chargeback Fund	50,791	55,252	53,760	71,850	18,090	33.6%
<b>Total</b>	<b>52,957</b>	<b>57,137</b>	<b>55,645</b>	<b>73,672</b>	<b>18,027</b>	<b>32.4%</b>

## FY2020 - Revenues Highlights

- General Fund
  - 3.3% reduction resulted from decision by 3 agencies to discontinue usage of City radio services; partially offset by new revenue gained from NRG special events contract.
- Revolving (Service Chargeback) Fund
  - revenue increase of \$18.1M due to consolidation of most remaining HITS General Fund functions; revenues match expenditure budget

# Expenditures By Funds (\$ in thousands)

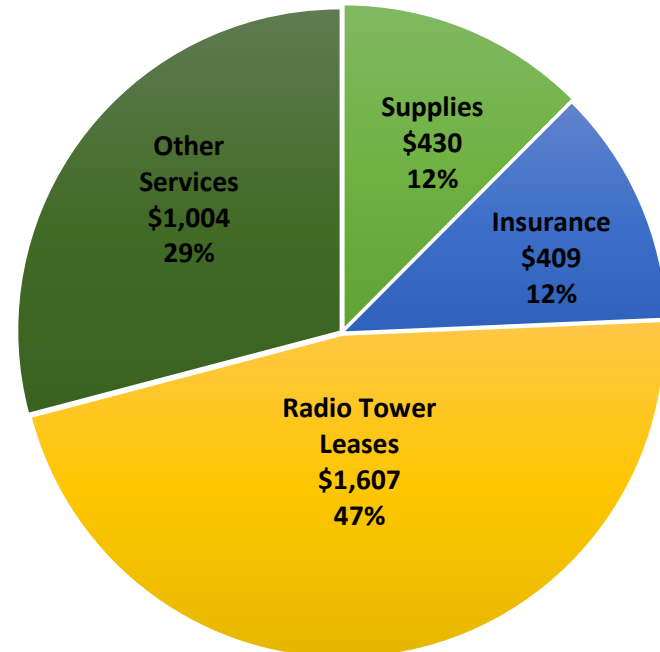
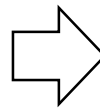
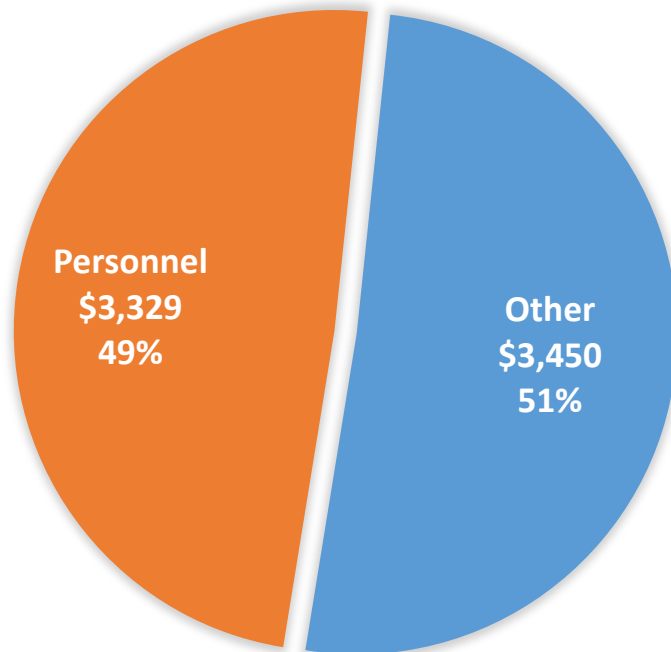


Fund	FY18 Actual	FY19 Budget	FY19 Estimates	FY20 Proposed	Variance FY20 Prop/FY19 Estimates	% Change
General Fund	16,207	17,892	16,928	6,779	(10,149)	-60.0%
Service Chargeback Fund	50,791	55,252	53,760	71,850	18,090	33.6%
<b>Total</b>	<b>66,998</b>	<b>73,144</b>	<b>70,688</b>	<b>78,629</b>	<b>7,941</b>	<b>11.2%</b>

# FY20 Personnel vs Non Personnel Fund 1000 (\$in thousands)



**FY2020 Proposed Budget  
\$6,779**

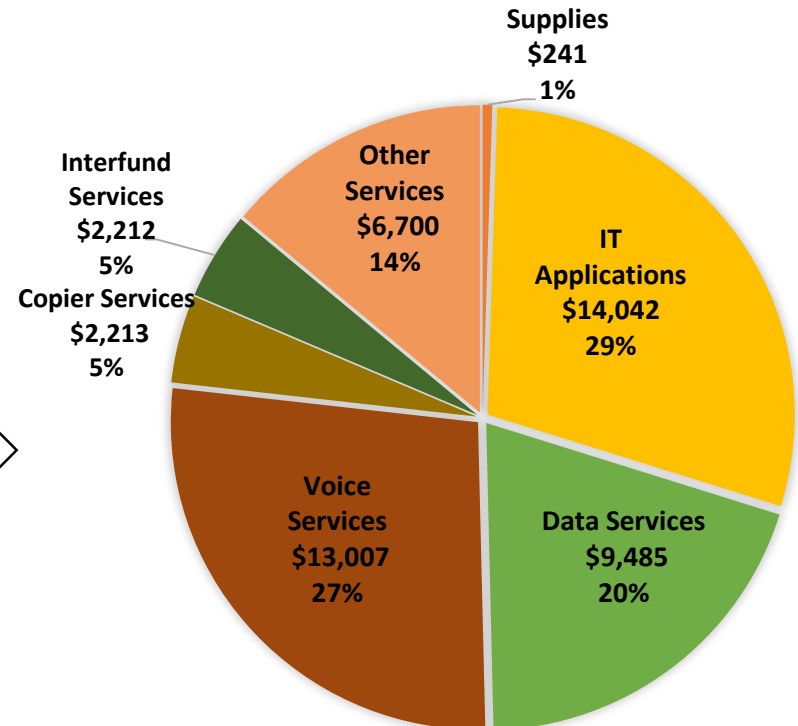
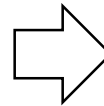
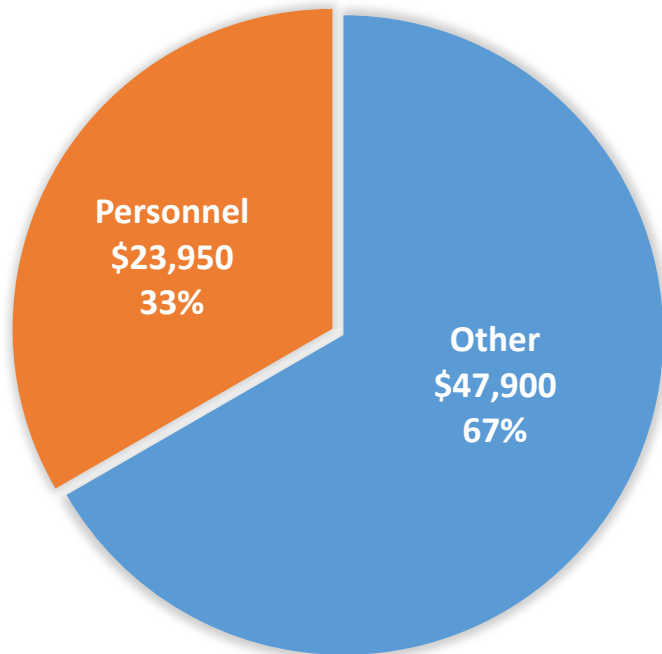




# FY20 Personnel vs Non Personnel Fund 1002 (\$in thousands)



## FY2020 Proposed Budget \$71,850





# FY2020 – Budget Expenditures Net Change General Fund (\$ in thousands)

FY2020 General Fund Budget Expenditures Net Change to FY2019 Current Budget		
<b>FY2019 Current Budget</b>		<b>Notes</b>
Operating Budget	\$ 15,824	
Restricted Budget	2,357	1
<b>FY2019 Current Budget</b>	<b>\$ 18,181</b>	
Explanation of FY2020 Incremental Increase/(Decrease)		
<b>Operating Budget Adjustments</b>		
Budget reduction initiatives		
Personnel budget utilization savings	-	
<b>Subtotal Operating Budget Adjustments</b>	<b>\$ -</b>	
<b>% Change from FY19 Operating Budget</b>		<b>0.0%</b>
<b>Contractual or Mandated Adjustments:</b>		
Health Benefits Active Civilian	\$ 21	
Health Benefits Active Classified (if applicable)	-	
Municipal Pension	69	
Classified Pension (if applicable)	-	
Restricted Accounts	68	
Program Adjustment	52	
Transferred to HITS Revolving Fund	(11,612)	
<b>Subtotal Contractual/Mandated Increases</b>	<b>\$ (11,402)</b>	
<b>FY2020 Proposed Budget</b>		
Operating and Contractual Adjustments	\$ (11,402)	
<b>FY2020 Proposed Budget</b>	<b>\$ 6,779</b>	
<b>% Change from FY19 Current Budget</b>		<b>(62.7%)</b>
<b>Notes:</b>		
1. Restricted Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, HR accts., etc		



# FY2020 – Budget Expenditures Net Change Revolving Fund (\$ in thousands)

FY2020 General Fund Budget Expenditures Net Change to FY2019 Current Budget		
<b>FY2019 Current Budget</b>		
Operating Budget	\$ 55,120	<i>Notes</i>
Restricted Budget	132	1
<b>FY2019 Current Budget</b>	<b>\$ 55,252</b>	
<b>Explanation of FY2020 Incremental Increase/(Decrease)</b>		
<b>Operating Budget Adjustments</b>		
Budget reduction initiatives		
Personnel budget utilization savings	-	
<b>Subtotal Operating Budget Adjustments</b>	<b>\$ -</b>	
<b>% Change from FY19 Operating Budget</b>		<b>0.0%</b>
<b>Contractual or Mandated Adjustments:</b>		
General Fund Budgets Transferred to Revolving Fund	\$ 11,612	
Seven Houston Fire Department Support Personnel moved to HITS	853	
Personnel Cost (HOPE, Pension, Health, etc)	616	
Program Adjustment	3,517	
<b>Subtotal Contractual/Mandated Increases</b>	<b>\$ 16,598</b>	
<b>FY2020 Proposed Budget</b>		
Operating and Contractual Adjustments	\$ 16,598	
<b>FY2020 Proposed Budget</b>	<b>\$ 71,850</b>	
<b>% Change from FY19 Current Budget</b>		<b>30.0%</b>
<b>Notes:</b>		
1. Restricted Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc		

# FY2020 – Revolving Fund Expenditures Highlights



**FY2019 Adopted** **55,252**

**General Fund Budgets Moved to Revolving Fund**

Director's Office	1,684	
Administration	1,623	
Enterprise Application Services	1,733	
Network Data Services	1,469	
Network Voice Services	1,323	
Enterprise Infrastructure Services	3,780	<b>11,612</b>

**Houston Fire Department (HFD) FTE's Transferred to HITS**

Seven HFD Support Personnel	<b>853</b>
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**FY2020 Major Contractual Increases (Decreases)**

Microsoft Enterprise Agreement	3,182	
Voice Services Wireless	763	
Cyber Security Insurance	129	
Telephone Expense Management System	390	
Cyber Security Support	200	
Ricoh Copier Services	153	
Enterprise Geographic Information Systems (EGIS) Support Renewal	144	
3-1-1 Call Center Software Support Renewal	114	
Cisco Smartnet Renewal	(528)	
NetBackup Support Annual Maintenance	(430)	
ProofPoint Suite / eDiscovery	(240)	
SAP Maintenance	(187)	
HEC CAD System Maintenance	(114)	
Net Miscellaneous Reductions/Increases	(59)	<b>3,517</b>

Personnel Cost (HOPE, Pension, Health)	616	<b>616</b>
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**FY2020 Proposed** **71,850**



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# Questions

# Appendix

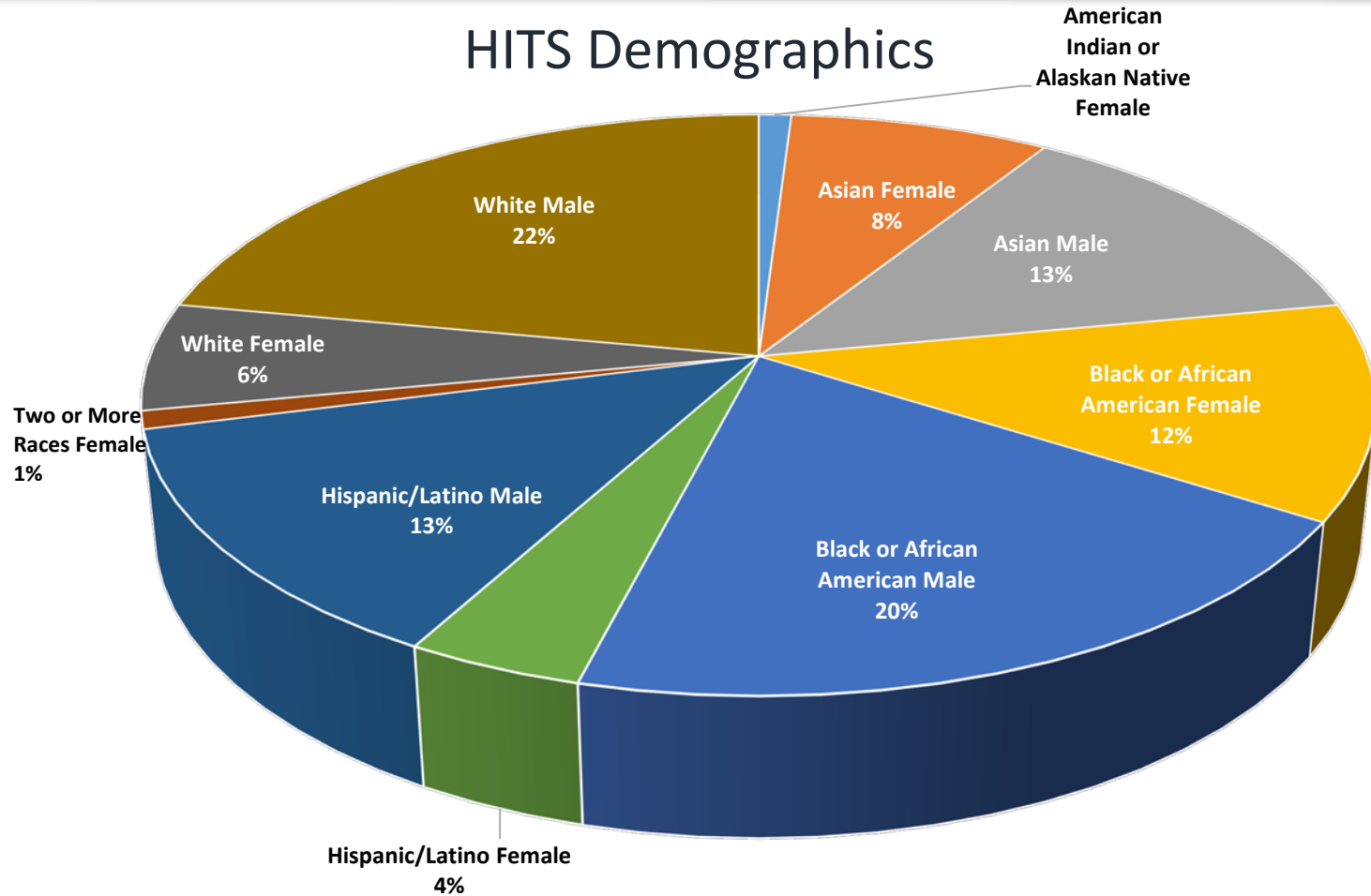
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- Includes:
  - Department demographic breakdown (gender & ethnicity)
  - Historical budget information
  - Historical budget reductions
  - FY20 Performance Measures
  - **\*\*Preliminary\*\*** financial analysis and benchmarking with other cities.
    - Note: this information is preliminary and requires further analysis. Includes both HITS and citywide IT spending statistics, plus benchmarking with other cities



## HITS Demographics



# Budget History - General Fund

(\$ in thousands)



	FY15	FY16	FY17	FY18	FY19	FY20
Current Budget	24,565	24,594	23,450	17,230	17,892	6,779
Actual / Projection	22,554	22,274	21,391	16,207	16,928	6,779
Surplus/Deficit	2,011	2,320	2,059	1,023	964	-



# Budget History – Revolving Fund (\$ in thousands)



	FY15	FY16	FY17	FY18	FY19	FY20
Current Budget	45,834	46,082	44,341	53,164	55,252	71,850
Actual/Projection	37,033	39,146	41,169	50,791	53,760	71,850
Surplus/Deficit	8,801	6,936	3,172	2,373	1,492	-

# Department Budget Reductions (\$in thousands)



Fund	FY18	FY19	FY20	3-Year Total
General Fund	(6,704)	0	0	(6704)
Revolving Fund	6,704	(681)	0	6,023
<b>Total</b>	<b>0</b>	<b>(681)</b>	<b>0</b>	<b>(681)</b>

## General Fund FY2018:

- ❖ Moved to Revolving Fund, and provided (\$2,155) savings to General Fund.

## General Fund FY2019:

- ❖ Infrastructure Services (\$66)
- ❖ Telephony (\$140)
- ❖ Vacancy Factor (\$475)

## General Fund FY2020:

- ❖ Consolidated \$11,612 from the general fund to the revolving fund allowing better allocation of resources.

# FY2020 Performance Measures

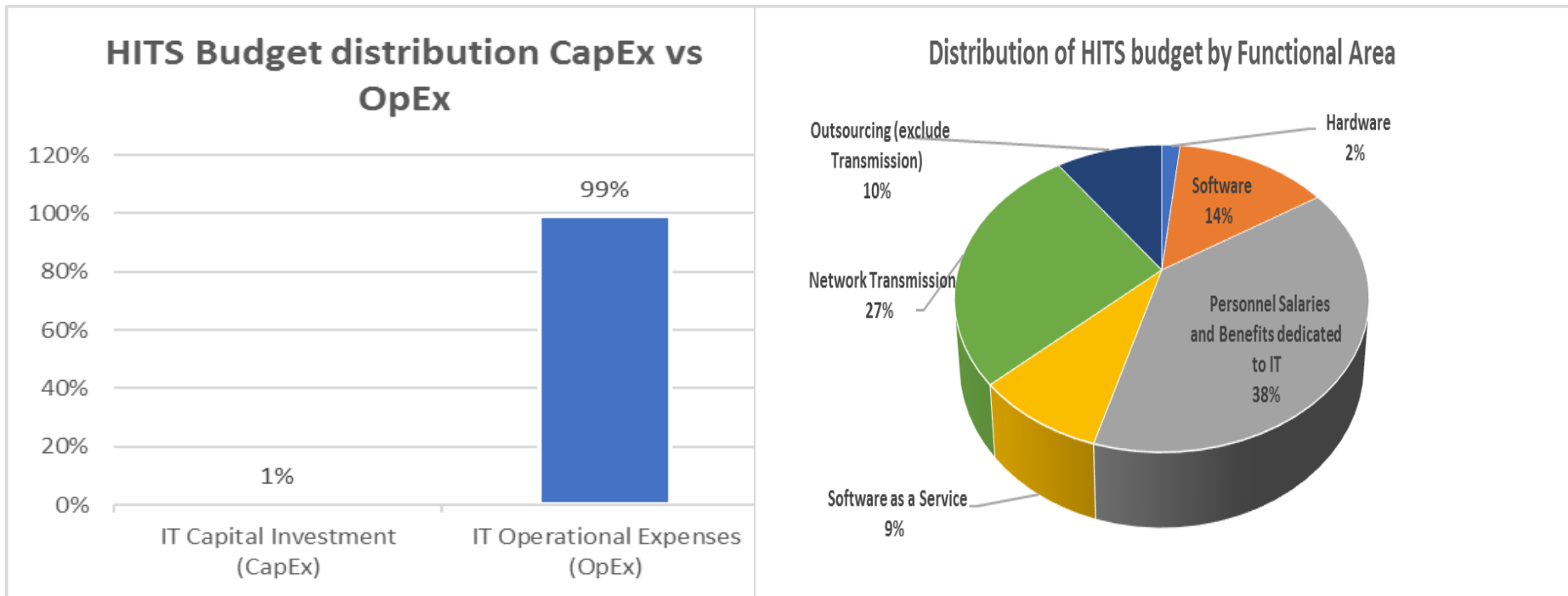


Customer Measures	Priorities	FY18 Actual	FY19 Budget	FY19 Estimates	FY20 Proposed
Citywide Radio System Availability Management	Public Safety	99.9%	99.9%	99.9%	99.9%
Business Process Measures	Priorities	FY18 Actual	FY19 Budget	FY19 Estimates	FY20 Proposed
Expenditures Adopted Budget vs Actual Utilization	Sound Fiscal Management	95%	98%	96%	98%
Revenues Adopted Budget vs Actual Utilization	Sound Fiscal Management	116%	100%	83%	100%

# HITS FY18 Spend Distribution

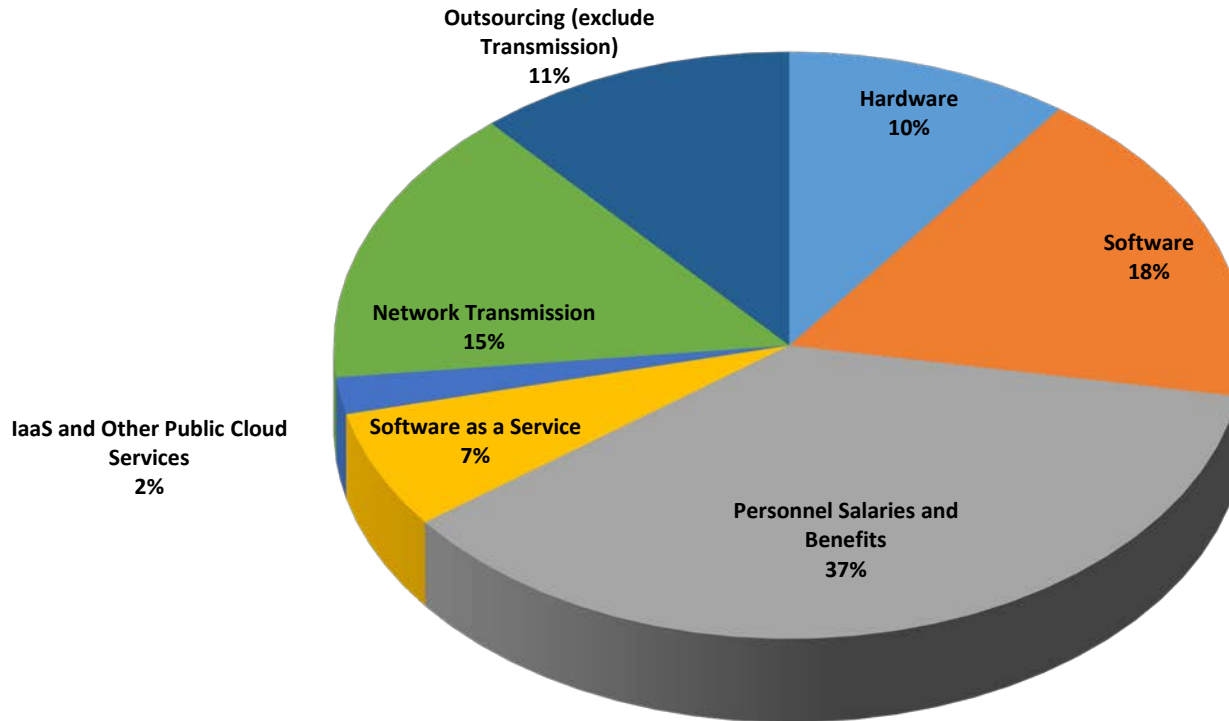


Total FY18 HITS Budget: \$65,919,588





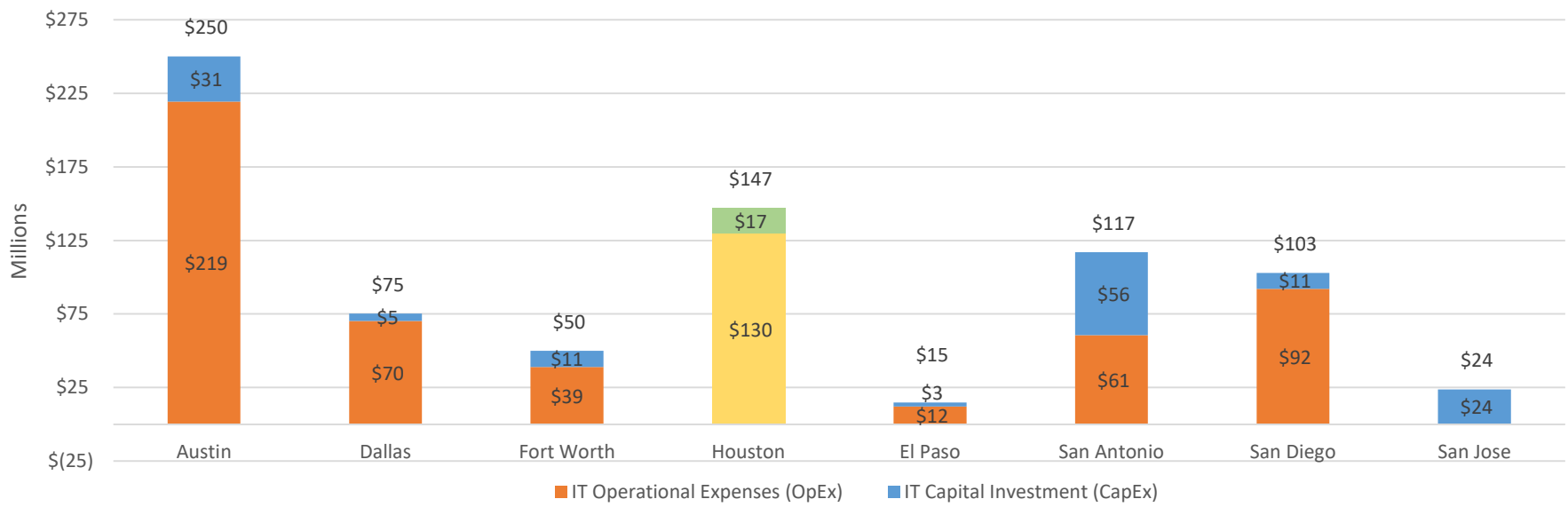
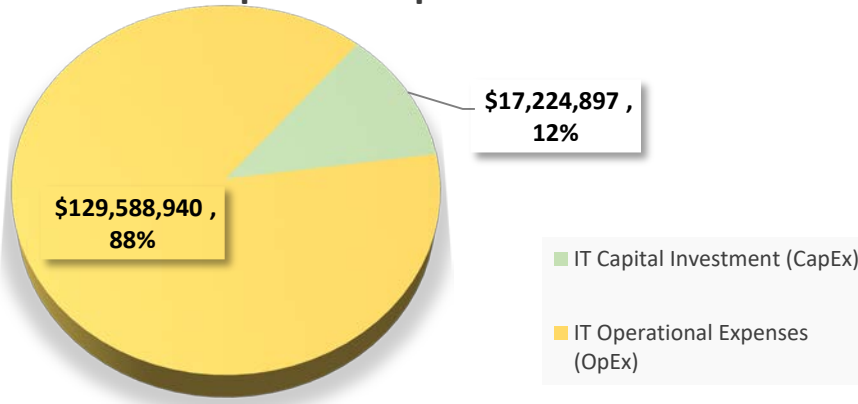
## Distribution Houston IT Spend Citywide \$146,813,837





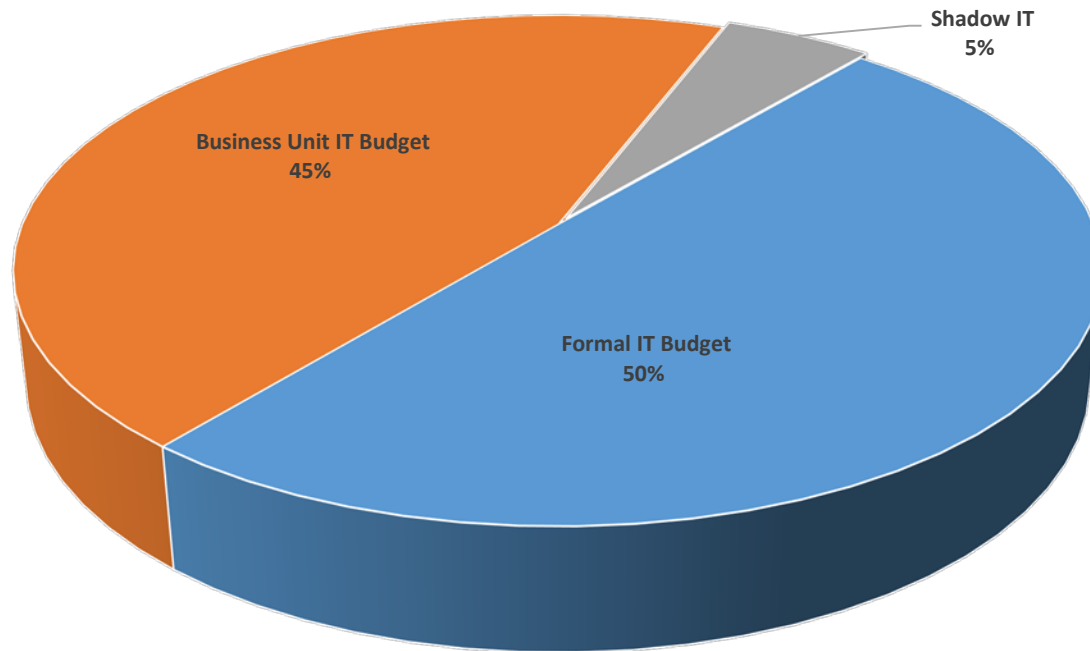
# OpEx vs CapEx

**Houston Citywide IT spend  
OpEx vs. CapEx**





## Houston IT Spend Citywide \$146,813,837



# Appendix



## Comparison of IT Budgets as % of Total City Budget

