

Infrastructure Allocations for 2010/11 Recommended Budget



**WASHTENAW COUNTY WORKING SESSION
OCTOBER 8, 2009**

Agenda

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- **Overview of County's Approach to Infrastructure**
- **Process Used for Infrastructure Allocation**
- **Recommended Budgets for 2010/11**
- **Next Steps**

Definition of Infrastructure

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For Washtenaw County, **Infrastructure** is defined as the **tools, skills and knowledge** necessary for employees to work **effectively** and **efficiently**.

This includes:

- ✦ Space
- ✦ Capital Equipment
- ✦ Technology
- ✦ Professional Development

Fund Structure

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- **Fund 1010 General Fund** – Professional Development Grants
- **Fund 4010 1/8th Mill Building Maintenance** – based on life cycle of facility components with a contingency for unplanned repair/replacement. Includes allocation for Chevron bond payment.
- **Fund 4020 Capital Projects** – for significant building remodels outside the scope of debt service projects.
- **Fund 4050 Capital Equipment** – including **Technology Plan** funding a combination of maintenance to existing technology as well as enhancements, with a contingency for unplanned repair/replacement. Also includes appropriation for operating equipment replacement as needed.
- **Fund 6320 Fleet** – Acquisition, maintenance and disposal of vehicles funded through direct charges to each department in which fleet is assigned.

Governance

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Governance is critical to ensure that we are allocating our infrastructure in the appropriate manner

Governance is defined as:

- ✦ **Ensuring the alignment of resources with business objectives, both County-wide and Departmental.**
- ✦ **Ensuring that resources are used in the most effective and efficient manner.**
- ✦ **Ensuring that decisions regarding resources are made at appropriate levels within the organization**

Historical Progression

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- **Highlights of major changes over years related to infrastructure**
 - Implementation of replacement schedules (PC, servers)
 - Move to core technologies
 - Web enablement
 - Systems integration
 - Space planning / capital reserves
 - 20 year Capital Improvement Plan
 - Chevron energy initiative
 - Preventative maintenance
 - Mobile workforce
 - Comprehensive asset tracking system
 - Shared process for project selection and management

Historical Progression

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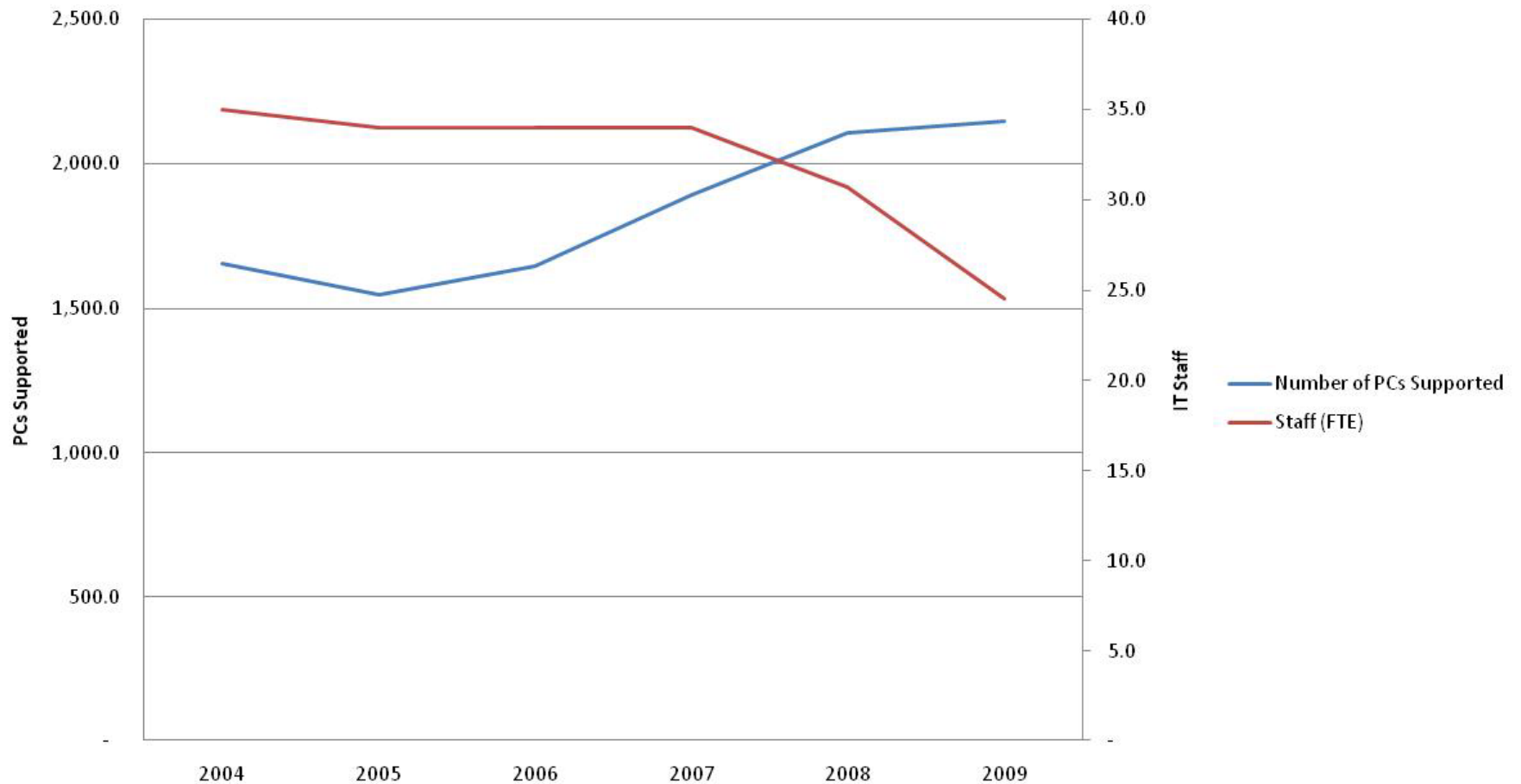
Past strategic implementation has allowed us to:

- **Focus on customer service to organization**
- **Downsize our infrastructure operating costs including staffing levels**
- **Ensure reasonable maintenance of existing infrastructure**
- **Manage additions to infrastructure**

Historical Progression

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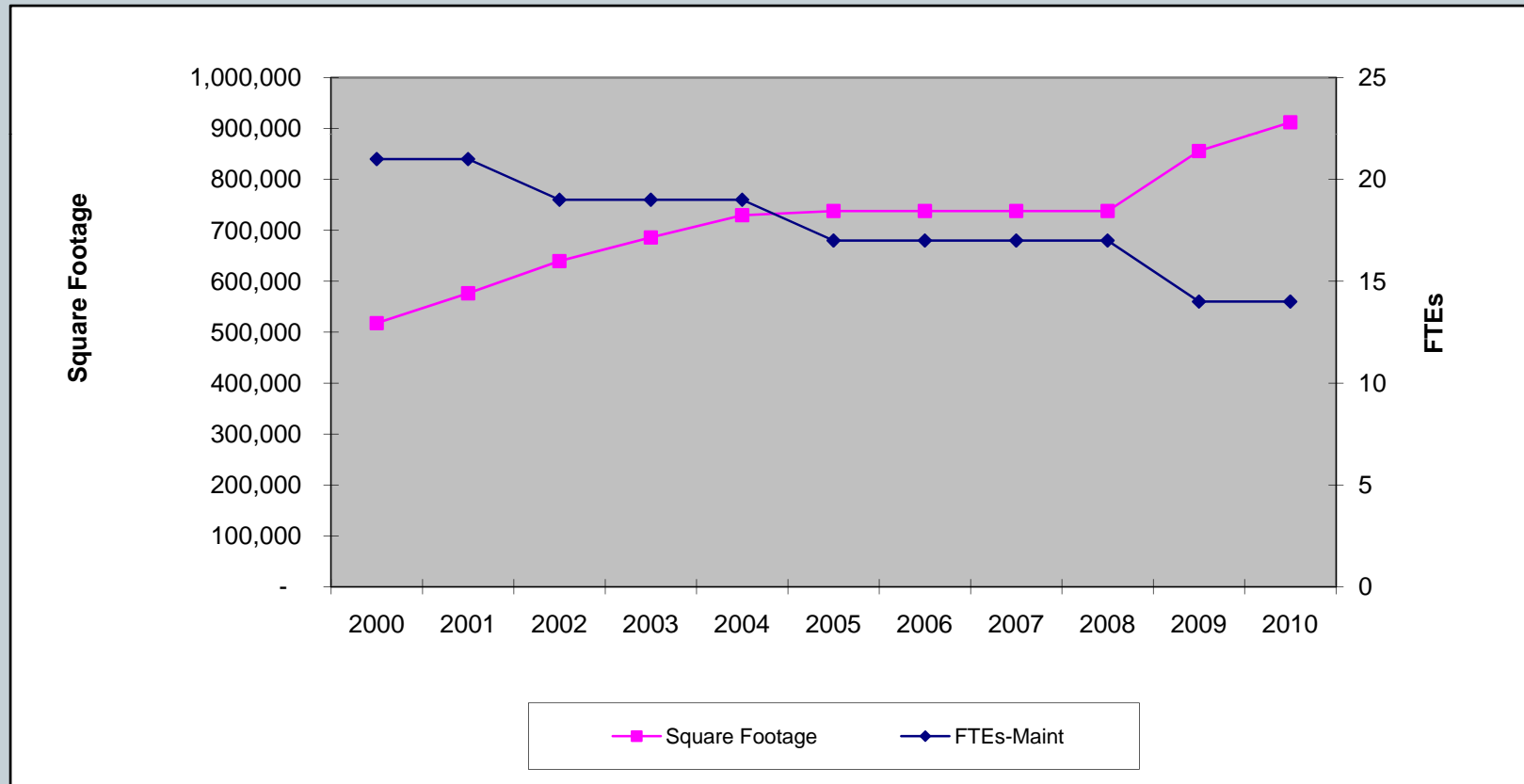
Information Technology Changes in Staff and # of PCs



Historical Progression

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Facilities Management Changes in Staff and Square Footage



Historical Progression

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- **Addition of Local Units**

HR – Road Commission & Pittsfield Township

IT – City of Ypsilanti, Chelsea PD, Pittsfield PD, City of Ann Arbor Collaboration

- **Implemented full cost recovery model**

- **Revenues go to General Fund and Tech Plan to offset costs associated with contracts**

- **Has allowed us to minimize further staff reductions and create some efficiencies**

Reductions Have Meant

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- Loss of capacity and expertise
- Revised infrastructure standards
- Deferred or eliminated infrastructure maintenance
- Reduced application acquisition, development and enhancement
- Longer wait times for approved projects and support
- Longer wait times at the Help Desk
- Longer service resolution time
- Equipment asset tracking and recovery efforts suffer
- Less support for 1Washtenaw program
- Reduced # of mail runs
- No county warehouse services
- Moves moratorium except where necessary or outside funding

Standard Infrastructure Allocation Process

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- **Align infrastructure allocation decisions within biennial budget process**
- **Talk to organization about current allocations and any needed changes or enhancements that would lead to greater efficiencies or customer service**
- **Evaluate requests**
- **Work with Support Services staff to develop recommended projects and budget within set funding allocations**

2010/11 Budget Development Process

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- **This cycle was somewhat different:**
 - Economic situation put constraint on infrastructure standards
 - Commitments in Phase 1 to Reduce Flat Allocations
 - ✦ \$750K reduction in 1/8th Mill Allocation
 - ✦ \$515K reduction in Tech Plan plus transfer of some revenues to GF
 - ✦ \$160K reduction in Professional Development
 - Focus on maintaining existing infrastructure, rather than projects to enhance – *very few departmental requests*
 - Infrastructure modifications will also need to be reactive to major organizational changes

2010/11 Recommended Technology Plan

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Technology and Capital Equipment

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Uses of Technology Plan:

- Department operating equipment replacement as needed
- Desktop equipment replacement
- Network equipment replacement
- Telecommunications
- Systems Integration & Application Enhancement
- Support for enterprise wide systems
 - ERP – JDEdwards
 - Asset Management – Tririga
 - Geographic Information Systems (GIS)

Key Metrics

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- 23.6 employees
- 56 locations supported
- 2,148 PCs
- 128 servers maintained
- 334 applications supported
- 25,267 information and support calls
- 22,012 support tickets resolved
- 3 local units of government including Pittsfield PD, City of Ypsilanti & Chelsea PD

IT Strategic Direction

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- **Maintain the core infrastructure**
- **Create efficiencies & cost effectiveness**
- **Enhance customer service**
- **Enable self service**
- **Support intergovernmental collaboration**
- **Promote information sharing**

Driving Towards Efficiency

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- **County wide technology standards**
- **Managed desktop with Windows XP**
- **Centralized help desk**
- **Core technology**
- **Technology replacement schedules**
- **Cell Phones**
- **Emerging Trends**
- **Collaboration**

2010/11 Technology Fund

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- **PC Replacement in accordance with revised standard of 4 – 5 years depending on user**
- **Hardware Replacement in accordance with replacement schedules and as determined necessary**
- **Planned reserve of \$250K for future upgrade/replacement of ERP system**
- **2010 is final \$300K payment for statewide court management system**

2010/11 Technology Fund

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Account Description	2010 Recommended Budget	2011 Recommended Budget
Technology Training	30,000	30,000
Telecommunications	269,000	270,000
Desktop Equipment	721,353	774,846
Network Equipment	142,500	172,500
Enterprise Applications	362,500	475,000
Systems Integration	438,594	194,953
Contingency	1,285	47,933
Total	1,965,232	1,965,232

Includes costs that are reimbursed through local unit contracts.

2010/11 Recommended 1/8th Mill Building Maintenance

1/8th Mill Building Maintenance

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Uses of 1/8th Mill:

- Payment of Chevron Bond Payment
- Repair or replacement of building equipment (HVAC, plumbing, etc.)
- Repair or reconstruction of a major support system (parking lot, sidewalk, etc.)
- Small scale remodeling or reconstruction of an existing facility

1/8th Mill Building Maintenance

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Evaluation of existing physical infrastructure and prioritize needs based on:

- Life safety and security
- Large organizational impact – facility closures
- Prevention of building/equipment failure
- Operating cost reductions including energy efficiency

1/8th Mill Building Maintenance

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Commitment for \$750K annual reduction in 2010 and 2011 can be realized due to:

- Chevron initiative
- Shift to preventative maintenance increasing expected life of equipment
- Major infrastructure equipment has been replaced over last 5 years

1/8th Mill Building Maintenance

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Need to stay focused on preventative maintenance model

- **Moving to reactive mode would require additional staff**
- **Equipment will need to be replaced sooner**
- **Unanticipated breakdowns requiring additional resources than budgeted**

1/8th Mill Building Maintenance

Preliminary 1/8th Mill Project Plan	2010 Recommended Budget	2011 Recommended Budget
22 Center HVAC Roof Top Units Phase 3 Replacement		\$ 95,000
101 E Huron HVAC Court/Clerk Distribution system	\$ 50,000	
2155 Hogback Mail Shop Parking Overhang	\$ 25,000	
220 N Main Parking Lot and Drain Repairs	\$ 25,000	
2201 Hogback HVAC Reheat, Controls, Distribution	\$ 100,000	\$ 100,000
2201 Hogback Abatement Follow up - Ceiling, Walls, Floor	\$ 150,000	
All County Infrastructure - Flooring	\$ 75,000	\$ 75,000
All County Infrastructure - Chevron Energy Project Payment	\$ 445,000	\$ 445,000
All County Infrastructure - Mechanical/Plumbing components replacement	\$ 75,000	\$ 75,000
All County Infrastructure - Security Infrastructure Improvements	\$ 100,000	\$ 50,000
All County Infrastructure - Energy Management System	\$ 50,000	
All County Infrastructure - Interior/Exterior Paint	\$ 62,500	\$ 62,500
All County Infrastructure - Signage	\$ 12,500	\$ 12,500
East Campus Sidewalk Repair Replace	\$ 15,000	\$ 15,000
Service Center Sidewalk Repair Replace	\$ 15,000	\$ 15,000
West Campus Sidewalk Repair Replace	\$ 15,000	\$ 15,000
Reserve for moves, renovations, and unanticipated repairs	\$ 131,486	\$ 386,486
TOTAL BUDGET	\$ 1,346,486	\$ 1,346,486

2010/11 Recommended Space Plan

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Space Plan

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- To be updated in accordance with the biennial budget
- Comprehensive presentation done on July 9th
- Infrastructure and operating budgets based on Trial Court Juvenile Center moving into downtown Ann Arbor Courthouse effective by January 1, 2010
- Trial Court has partnered with county to minimize renovation with an estimated cost of \$99K
- This will save \$300K in operating costs plus efficiencies in infrastructure management and allow for the sale of the Platt Road property

2010/11 Recommended Fleet Plan

Fleet Services

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- **Strategic evaluation to balance useful life, maintenance costs and auction value**
- **Size of fleet has been reduced through budget reductions with cooperation of department heads and elected officials over past few years**
- **2010/11 budget includes replacement costs, estimated maintenance, fuel charges and fleet management**
- **Direct costs are charged back to each department based on vehicle**

Fleet Services

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DEPT NAME	2008/2009	2010/2011	Variance
	Vehicles	Vehicles	
14-A District Court	1	0	-1
Administration	3	1	-2
Building Inspection	5	4	-1
Children's Services	5	3	-2
Community Development	1	1	0
CSTS - All Units Combined	38	43	5
Drain Commission	10	8	-2
Emergency Mgmt	2	2	0
Environmental Health	10	5	-5
ETCS	1	1	0
Facilities Management	30	20	-10
Fleet Services	3	0	-3
Parks & Recreation	11	11	0
Planning & Environment	1	0	-1
Prosecuting Attorney	3	3	0
Public Defender	0	1	1
Sheriff - All Units Combined	116	112	-4
Soil Erosion	1	1	0
Treasurer	1	2	1
Trial Court Juvenile Center	4	4	0
Veterans Services	1	1	0
WCHO	1	0	-1
Total County Fleet	248	223	-25

2010/11 Recommended Professional Development

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Professional Development

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- **Assist employees with obtaining the necessary knowledge and skills to successfully perform their jobs**
 - Internal Trainings
 - Leadership Academy
 - Monitoring of Trainings & Certifications
- **Over past three years PD has held 1,030 classes with over 12,300 attendees, almost 1,000 in leadership courses**
- **Strategic focus set by PD Standing Committee to align with organization needs for each fiscal year**

Professional Development

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- **Budget reduction of \$160,724 including the elimination of 1.0 FTE incorporated into Phase 1 Recommendations**
- **Remaining allocation of \$108,794 annually, net of the Cost Allocation Plan**
- **Results in the elimination of mini-grants, maximizing internal trainings, pursuing sole source vendor and collaborating with community partners**

Next Steps

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Summary

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- **Infrastructure is critical to successful service delivery**
- **Past strategic approach and investments allow the county to focus on maintaining existing infrastructure for 2010/11**
- **Need to evaluate long-term sustainability of reductions**
- **Further reductions adds risk of increased deferred maintenance and having needs outweigh available resources at some point in future**

Next Steps

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- **Maintain our commitment to IRA process for strategic decision making**
- **Continue to review our infrastructure standards to ensure meeting business need of organization**
- **Manage expectations of organization as this will be culture change from past**
- **Respond to organizational changes**
- **Further infrastructure integration efforts**