

Town of Enfield and Enfield Public Schools
Town Council & BOE Meeting

Project Findings & Recommendations
For An IT Department Merger Plan

May 1, 2007

Town of Enfield and Enfield Public Schools

Agenda

- I. Findings
 - A. Merger Goals and Objectives
 - B. Technology Funding
 - C. Employee Salaries & Benefits
 - D. IT Support
 - E. IT Applications
 - F. IT Business Approach
 - G. Other IT Differences
- II. Critical Success Factors
- III. Recommendations
 - A. Financial Structure
 - B. Benefits Comparison
 - C. Organizational Structure
 - D. Cost and Benefits
- IV. Implementation Approach

I. Findings – IT Merger Goals & Objectives

Findings

Town

1. Reduce IT expenditures
2. Share people resources
3. Unify Town & School District technologies
4. Enhance quality of service
5. Enhance overall infrastructure

School District

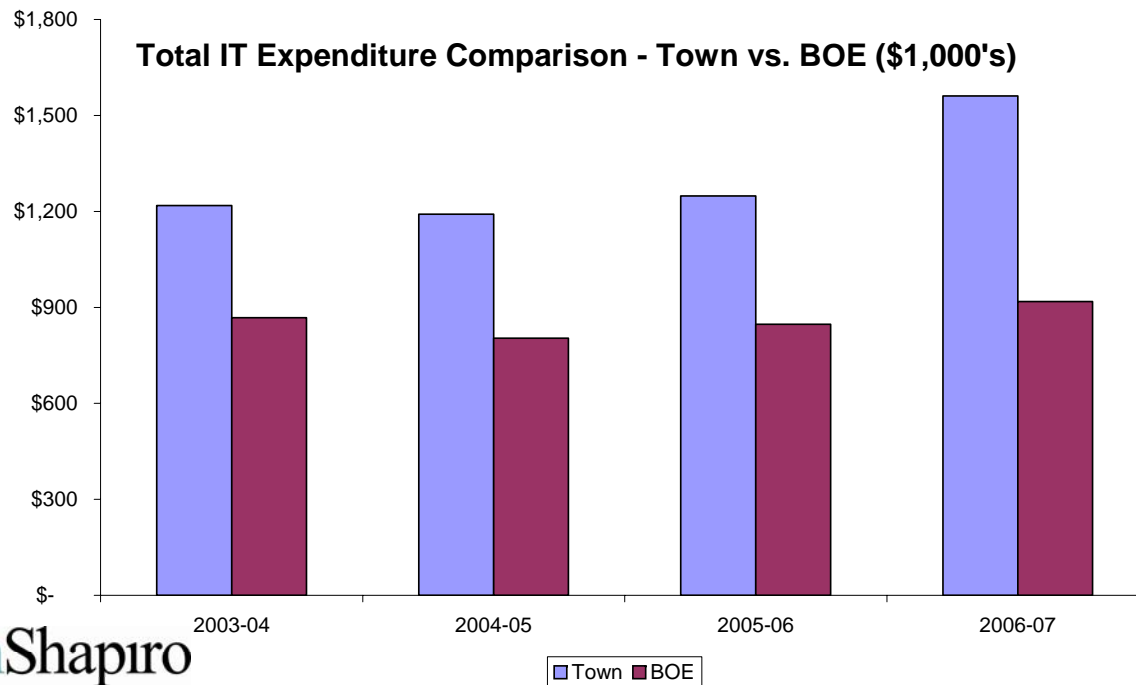
1. Obtain additional funding to increase technology purchases
2. Enhance and expand overall IT infrastructure
3. Share people resources
4. Unify Town & School District technologies
5. Enhance quality of service

Town	Trust Between Organizations	School District
Town Council	Low – Medium	Board of Education
Superintendent	High	Town Manager
IT Director	Low	IT Supervisor
IT Staff	High	IT Staff

I. Findings – Technology Funding

Findings

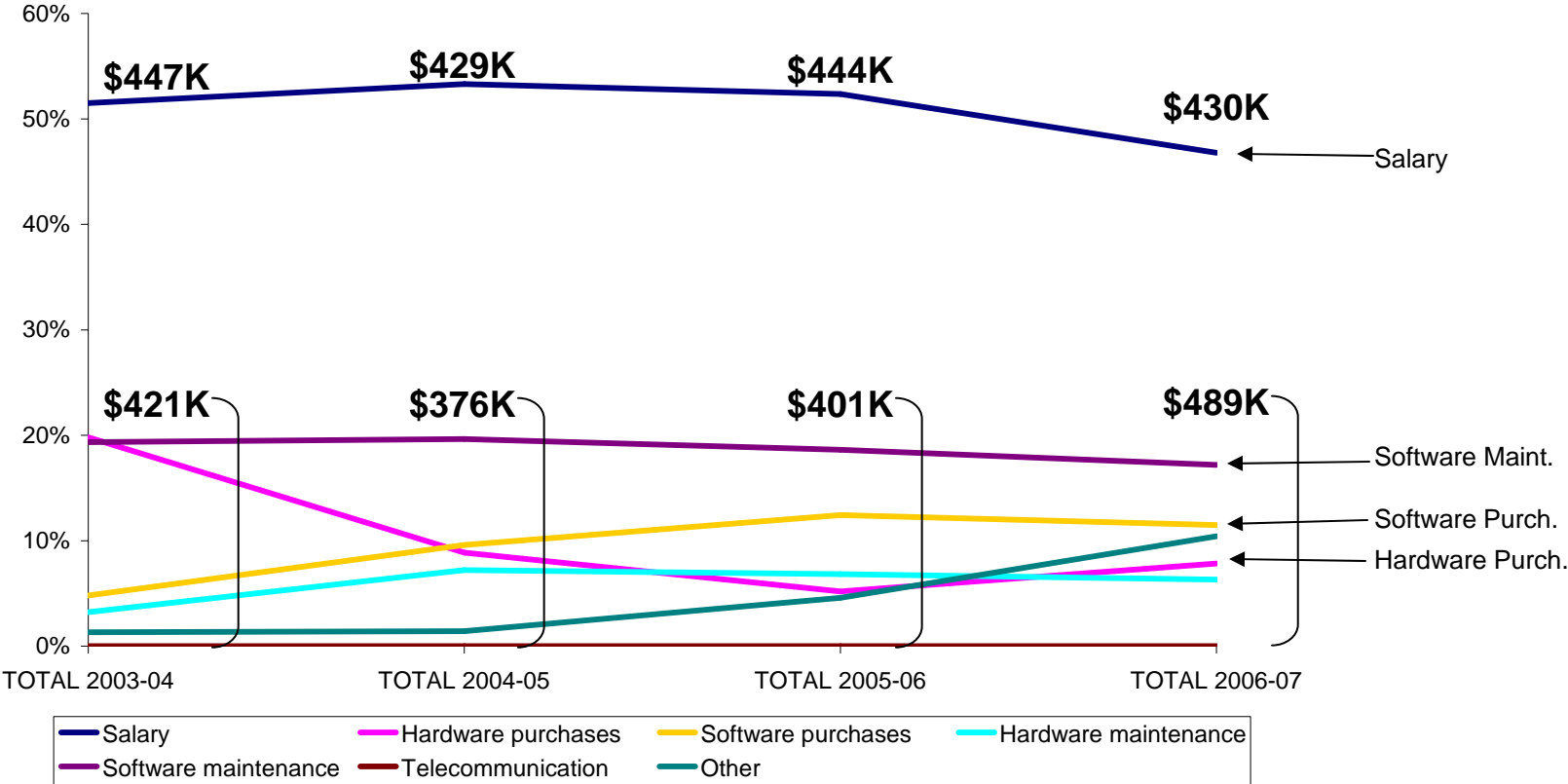
- Technology expenditures are not equally funded between the Town and BOE:
 - Town general fund IT budget (1.2 million) in 2006-07 represents 2.8% of the total Town general fund budget (43.5 million)
 - BOE general fund IT budget (891,000) represents 1.31% of the total BOE general fund budget (67.9 million)
 - Town received over \$750,000 in capital and other funding for IT between 2004-2006, BOE received \$28,000 in capital and other funding between 2004-2006



I. Findings – Technology Funding

Findings

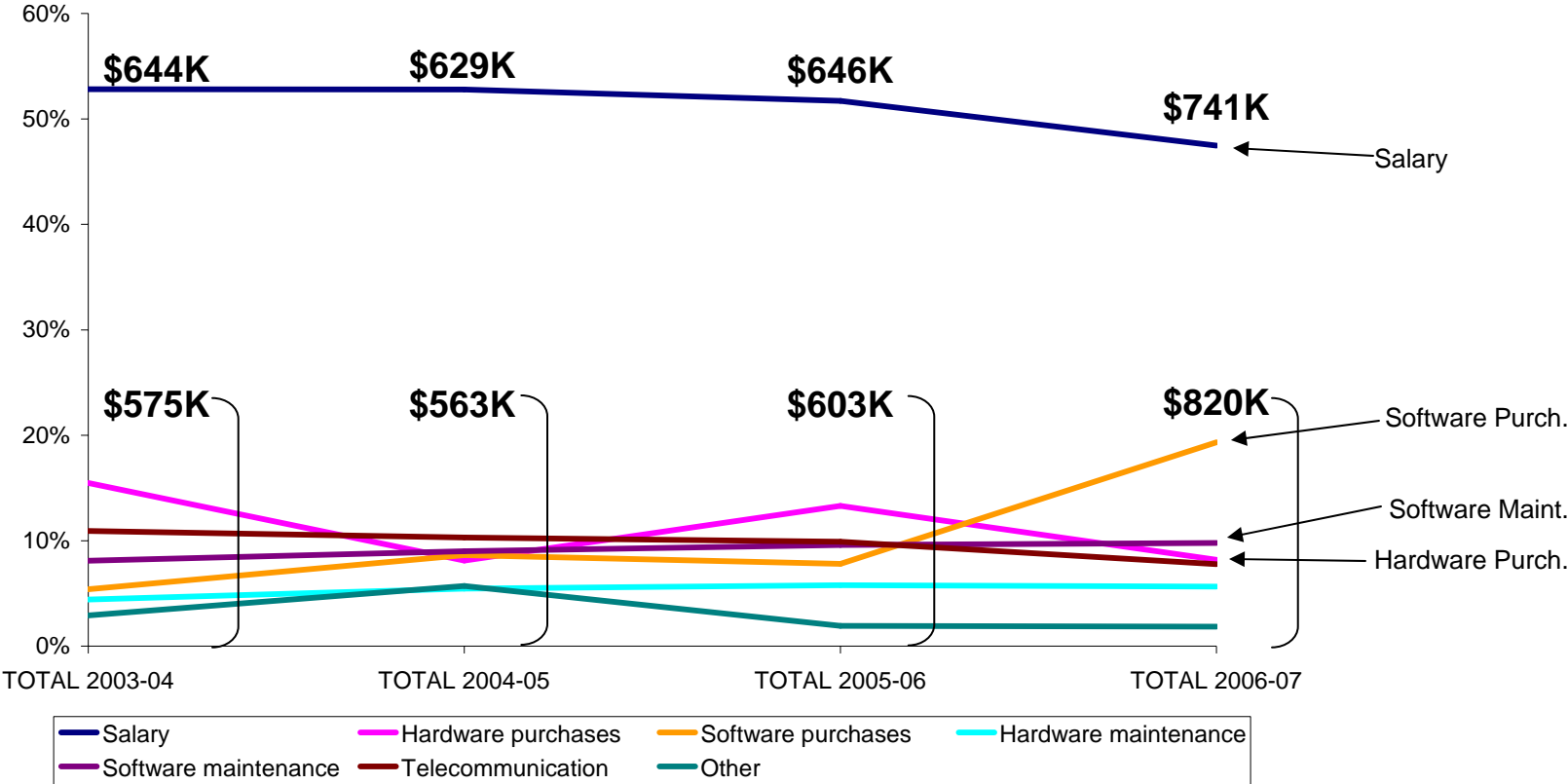
BOE IT Financials - Trend by Account (% of Total)



I. Findings – Technology Funding

Findings

Town IT Financials - Trend by Account (% of Total)

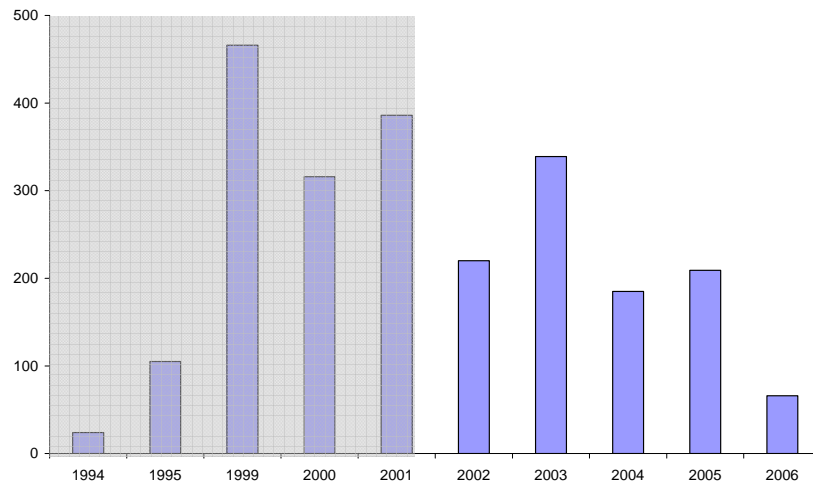


I. Findings – Technology Funding

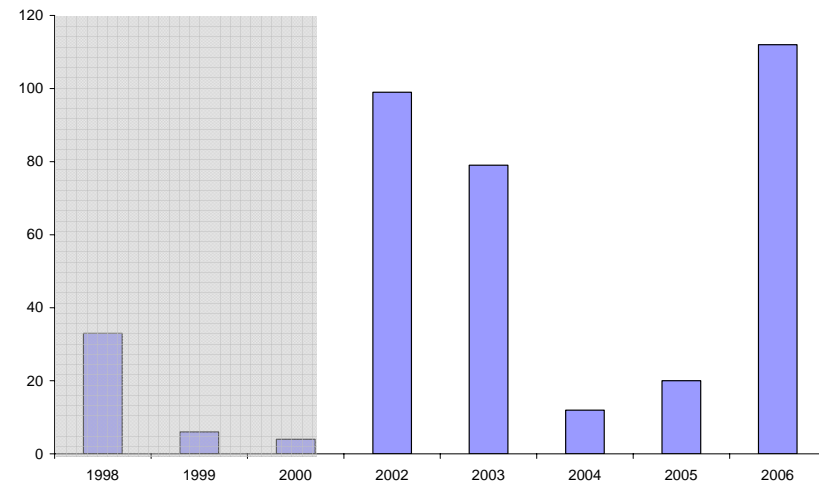
Findings

- Limited investment by the BOE in workstation purchases
 - Workstations are used beyond their useful life (5 years)
- 1,297 (56%) of BOE workstations are more than 5 years old:
- 43 (12%) of Town workstations are more than 5 years old:

Workstations by Year - BOE



Workstations by Year - Town



I. Findings – Technology Funding

Findings

- BOE IT budget has not increased in relation to BOE budget

- Limited investment by BOE in infrastructure purchases:
 - 13 (33%) of the BOE servers are more than 6 years old

 - 87 (33%) of BOE network appliances are more than 6 years old

 - BOE has portions of 4 schools that are being wired (via State Grant) to allow WAN connectivity

- BOE has invested in other programs and personnel related costs:
 - Utilities
 - Healthcare
 - Other

I. Findings – Employee Salaries and Benefits

Findings

- Met with HR & Union representatives to discuss possible merger
 - Eight (8) Town IT Employees are unionized
 - Positions that overlap with the Town must become unionized
 - Based on job descriptions, roles and responsibilities
 - BOE has a single IT unionized position
 - BOE union does not want to lose any positions
- Evaluated Salaries and benefits for the Town and BOE
 - Salaries and benefits are comparable

I. Findings – Employee Salaries and Benefits

Findings

Benefit		Town		BOE
Insurance Premiums		Lower		Higher
Holidays		12 + Birthday=13 days		13 days
Vacation		Similar		Similar
Vacation Payout		Max 1 year of vacation time		Up to 2 weeks
Sick Payout	Retired	Up to 120 Days		\$40/day up to 100
	Leave	¼ of balance up to 20 Days		\$40/day up to 100
	Union Retired	¼ of balance up to 120 days		\$40/day up to 100
	Union Leave	¼ of balance up to 20 Days		\$40/day up to 100
Sick leave		Equal (15 days)		Equal (15 days)
Personal Days		3 Days		5 Days
Insurance Co-pay		5-8%		5-10%
	Union	5-10%		4%
Pension		Same		Same
Cafeteria Benefit		Available		Not Available

I. Findings – IT Support

Findings

- BOE has two IT support groups
 - IT Admin support (e.g., Infrastructure, Key Applications, PC's)
 - Curriculum support (i.e., MacIntosh Support)
 - Have documented IT curriculum plan (4th – 8th grade)
 - Need to coordinate all technology curriculum activities
 - Certified staff and non-certified support staff should be PC-based throughout school system
- BOE Support team is understaffed (2,263 PCs for 3.5 staff, CREC recommended -5.5)
- Town and BOE do not have quality of service metrics
- Town and BOE departments require different hours of support during the day
- ADMINS and two technology platforms (PC vs. MAC) increase support needs and efforts

IT Support		
Description	Town	BOE
IT Management	1.00	1.00
IT Administration	1.00	0.50
IT Application Support	6.64	2.00
IT Network Support	1.00	2.00
IT Help Desk	2.50	3.50
Total	12.14	9.00

I. Findings – IT Applications

Findings

- BOE’s approach to obtain software capabilities to meet new requirements
 - Purchase off-the-shelf software
 - Obtain support from vendor
 - Can purchase “best of breed” applications

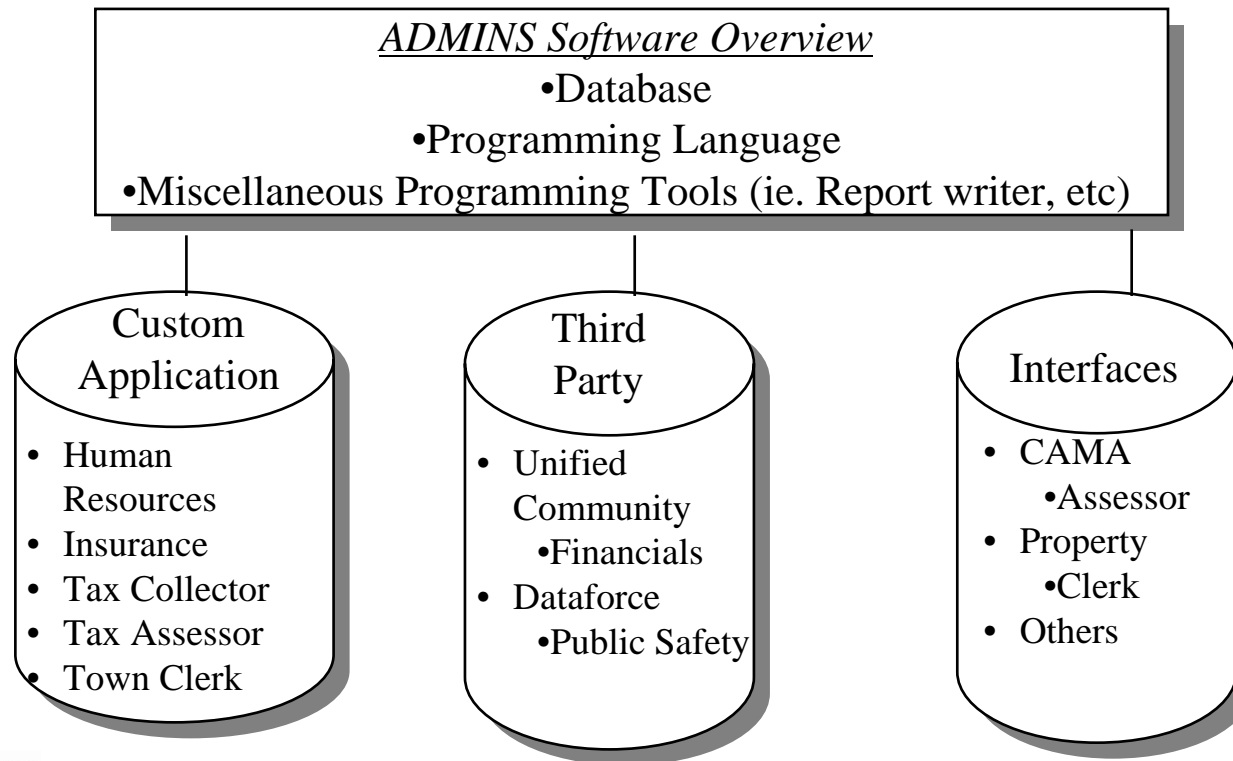
- BOE moving towards Application Service Provider (ASP) model with Pentamation
 - Users access key applications via browser
 - Pentamation responsible for support and maintenance of application
 - Software upgrades\patches
 - Backup of data

- Town’s approach to obtain software capabilities to meet new requirements
 - Custom develop application in ADMINS
 - Use internal resources
 - Purchase third party ADMINS application
 - Obtain support from vendor

I. Findings – IT Applications

Findings

- Town has made significant investments with the ADMINS software
 - Custom development of critical applications (15+ and many more minor applications)
 - Programmer development and support (7+ people)
 - Purchase of third party applications
 - Most of the applications run under OpenVMS; not Windows



I. Findings – IT Applications

Findings

- Investment in ADMINS has had the following impact on the Town

Pro

- Ability to add functionality to applications when required
 - IT Department can control new features and capabilities
 - Takes time and resources to make changes to ADMINS
- Promotes ability to integrate all applications/modules together

Con

- Increased the number of ADMINS IT support personnel required
 - Higher personnel costs due to on-site programmers
 - Difficult to find ADMINS programmers
- Technology solution only as good as manufacturer (Access International)
 - ADMINS not considered leading edge technology
- To obtain Windows capabilities through ADMINS, applications need to be re-written
 - Significant time and resources will be required
- Limited number of people from third party vendors can support critical ADMINS applications
 - Public Safety application support by a person in Oregon
 - Access International – 13 people
 - Financial system has limited capabilities (budget info, re-key Grant info)

I. Findings – IT Business Approach

Findings

- Town and BOE theoretically maintain two different business approaches for application support

Subject Matter Experts (SME)

- What is IT's role in support of an application?
 - Make sure infrastructure, hardware and database available
- Who configures and makes changes to the feature set in an application?
 - Recognized departmental or administrative user
- Who is the recognized owner of an application?
 - Functional department/user
- BOE - IT Department is the Subject Matter Expert
 - Two IT people dedicated to Student Information and IEP systems
 - Limited Department involvement
- Town IT Department believes various Departments are the SME
 - Based on focus group sessions, this is not true
 - Difficult to implement since most everything is custom developed

I. Findings – Other IT Differences

Findings

- Other considerations

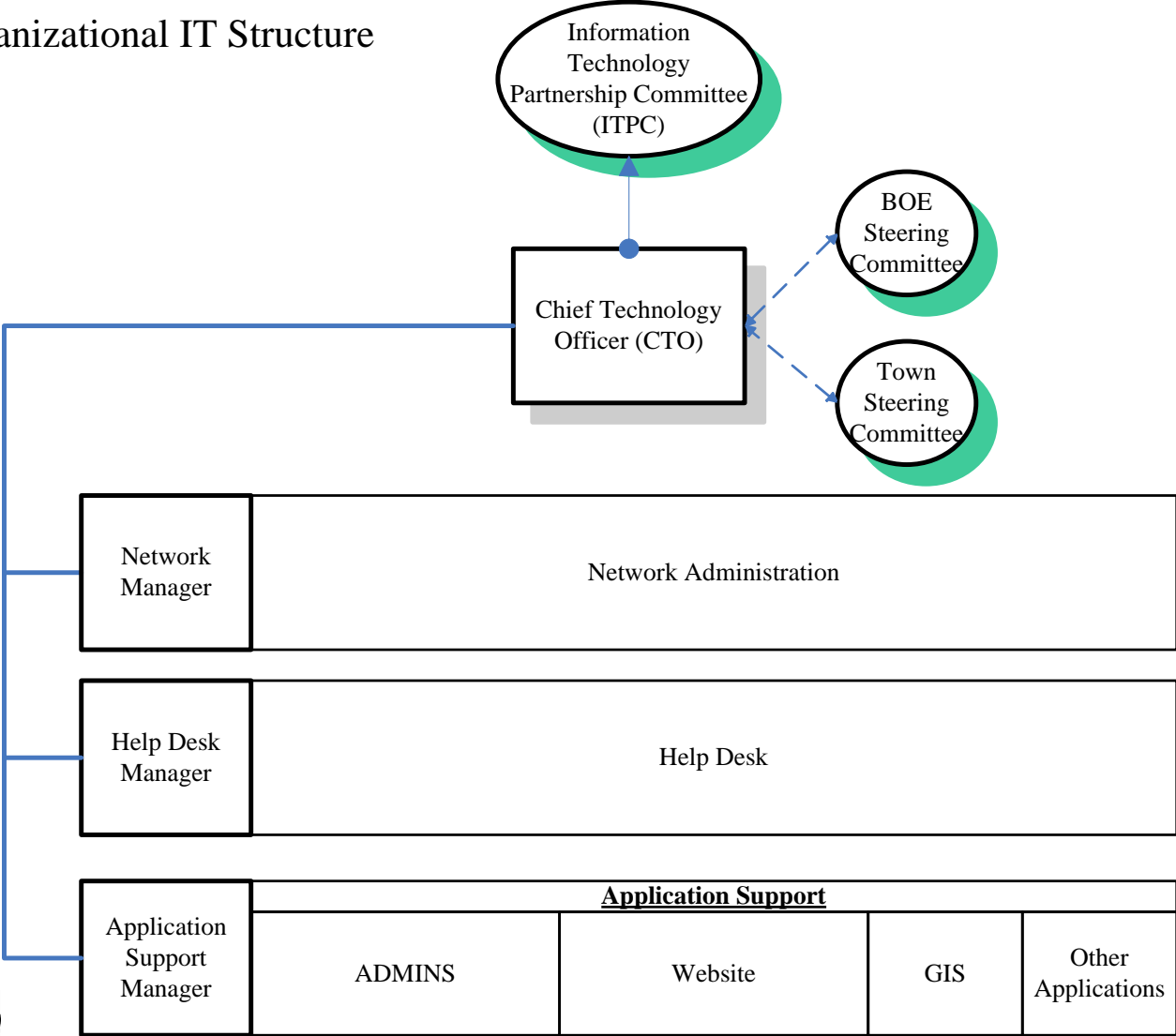
	<u>Item Description</u>	<u>Town</u>	<u>BOE</u>
1.	Strategic Technology Plan	Has limited plan; Provides listing of projects but limited costs	Has limited plan; no listing of project costs
2.	IT Planning Process	Process limited, ask users	Little or no process
3.	IT Platform	Windows & ADMINS based	Windows & Macintosh based
4.	IT Projects	Users don't know about IT initiatives; limited accountability	Users don't know about IT initiatives; limited accountability
5.	IT Project Priorities	No process to prioritize; no user involvement	No process to prioritize; no user involvement
6.	Capital Purchases	Use CIP process	Submit CIP to Council
7.	Training	Limited formal training	Limited formal training
8.	Other	Can do attitude, but IT provides what they "think" users want	Security trumps implementation and operations
9.	Mgt Info Availability	Very available	None, developed for project
10.	Documented Policies	Very extensive	Very limited

II. Critical Success Factors

<u>CSF</u>	<u>Town</u>	<u>BOE</u>
Funding	Maintain IT funding support	Provide new IT funding
Organizational Structure	Unify IT Departments and provide new CTO position to oversee all IT personnel and set direction; CTO reports to ITPC Committee.	
ITPC Committee	Committee composed of Town Manager, Superintendent, Finance Director, Business Office Manager. All IT funding is reviewed\evaluated by group, prioritize projects	
Technology Plan	Create unified strategic technology plan for Town and BOE. Identify projects and respective costs. Phase over multiple years.	
IT Process	Create IT Steering Committee for Town: identify and prioritize projects, identify technology issues	Create IT Steering Committee for BOE: identify and prioritize projects, identify technology issues
Salary/Benefits	Limited change	Reviewed salary, benefits, roles responsibilities. Increase salary if necessary. Unionize where needed.
Operations	Provide consulting services to “Customers”- Users	Provide consulting Users, Leverage school IT resources – Power Users

II. Critical Success Factors

- Create New Organizational IT Structure



III. Recommendations-Financial Structure

Recommendation

- Implement a Technology Internal Service Fund (TISF)
 - A separate accounting fund used to account for services and technology purchases for all Town and BOE departments
 - Elements of Internal Service Fund
 - Accumulates all IT costs (operating and capital) are recorded in this fund
 - Contains all IT related assets
 - Costs are allocated through charges to benefiting departments
 - Depreciation is accumulated within Fund
 - Promotes on-going funding of technology
 - Funding shortages would result in higher chargeback rates

Pro

- Independent of both the Town and BOE
- Creates new operating structure to support Town and BOE

Con

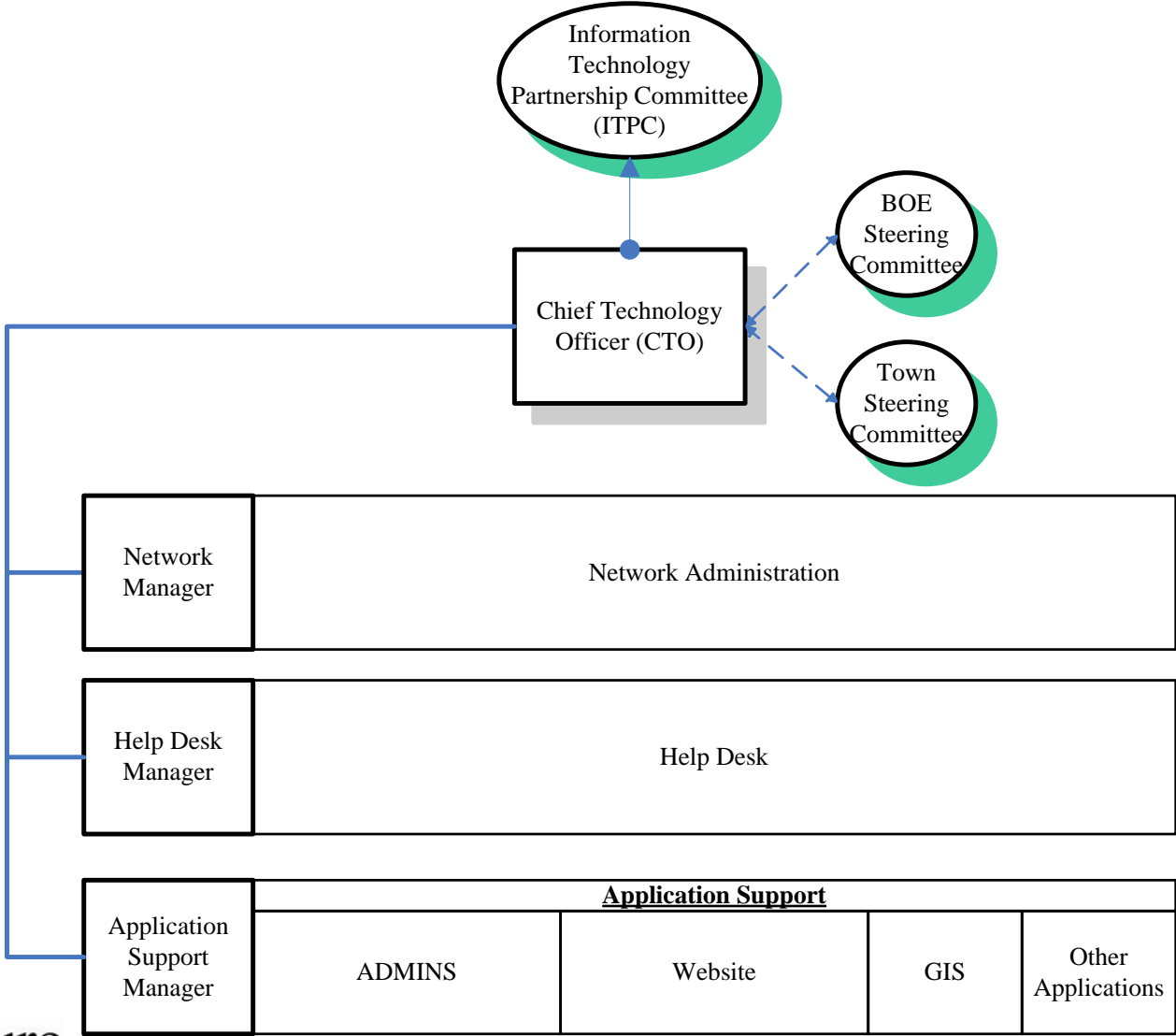
- More complex accounting requirements
 - Profit & loss oriented, full accrual accounting
- May affect Minimum Budget Requirement (MBR) (to be determined)

III. Recommendations-Financial Structure

Recommendation – Technology Internal Service Fund

- Obtain authorization from Town Council for new fund
- Create IT Structure for all personnel within new fund
- Develop policies, procedures and rate setting approach for Fund
- Transfer Town and BOE IT personnel to Technology Internal Service Fund
- Use Town's Union, Benefits and Salary as basis for new organization structure
 - Town had over half IT Department employees within a Union
 - Want to maintain Union benefits and good-will
 - Some BOE employees will join Union
 - Health benefits are similar to BOE
 - Salaries are comparable to BOE
- Eliminate Town Network Manager position
- Single member of BOE union would not join new operations
 - Did not add additional position to new operations

III. Recommendations – Organization Structure



III. Recommendations – Costs and Benefits

Recommendation – Technology Internal Service Fund

- Assume creation of new CTO position
- Adjust salaries to compensate for benefits differences
- Bring the BOE IT infrastructure on par to Town

<u>Costs/Savings</u>		<u>Low</u>	<u>High</u>
1.	New CTO Position	\$ 95,000	\$ 105,000
2.	New CTO Position-Benefits	\$ 33,250	\$ 36,750
3.	Salary Adjustment-Insurance	\$ 3,781	\$ 3,781
4.	Insurance Premiums	\$ (14,103)	\$ (99)
5.	Salary Increases-Due to Unions	\$ 8,000	\$ 20,000
6.	Time Off Adjustment	\$ 2,096	\$ 4,191
7.	Cafeteria Benefit	\$ 8,400	\$ 8,700
8.	Sick time Payout	\$ 16,820	\$ 22,420
9.	Network Manager Position	\$ (65,000)	\$ (65,000)
10.	Network Manager Position-Benefits	\$ (22,750)	\$ (22,750)
		<u>\$ 65,494</u>	<u>\$ 112,994</u>

<u>Additional Technology</u>		<u>Qty</u>		
11.	Desktop Computers	1,300	\$ 1,300,000	\$ 1,950,000
12.	Servers	10	\$ 35,000	\$ 80,000
13.	Network Devices	87	\$ 87,000	\$ 304,500
			<u>\$ 1,422,000</u>	<u>\$ 2,334,500</u>

Assumption

- All BOE IT employees migrate to Town's Health plans
- Used 35% for additional benefit costs
- Currently 8 people in Union within Town
- Cafeteria Plan adjustment reflects salaries for non-union BOE positions and new CTO
- Sick time payout identifies costs with BOE employees moving to new structure
- Network Manager Benefits used 35%
- Identified servers that were 6 years or older
- Identified Network Devices that were 6 years or older
- Identified Desktop Computers 5 years or older

IV. Implementation Approach

Phase 1 – 0 to 4 Months

- Confirm/document roles, responsibilities, job descriptions for all IT positions
- Negotiate with Union representatives (Town and BOE)
- Hire CTO (CTO position must be in place prior to Phase 2)
- Adopt SOP Agreement
- Develop Technology Internal Service Fund Policies, Procedures and Protocols
 - Perform technology inventory assessment (Town & BOE) for depreciation purposes
 - Develop governance model
 - Budget process
 - Chargeback Rate
 - Additional funding request process
 - Accounting process
- Put all “Technology Purchases” On-Hold (except emergency’s) until CTO is hired
 - Hold current IT funding for Internal Service Fund
- Rescind Town resolution related to Town and BOE communications

IV. Implementation Approach

Phase 2 – 4 to 7 Months

- Confirm operation standards (eg. help desk software)
- Develop and confirm service delivery model
- Implement new management structure
- Develop logistical support structure
 - Identify multiple support locations
- Develop employee performance metrics

Phase 3– 7 to 13 Months

- Implement new IT processes (eg. help desk support, project reporting & tracking)
- Implement and leverage power users within the “User Community”
- Setup Town and BOE IT Steering Committees
- Develop comprehensive technology plan
 - Confirm PC vs. MAC approach and implementation
 - Develop detail costs for all technology initiatives
- Review ADMINS software model (best of breed vs. custom development)

Phase 4 –13+ Months

- Identify and develop new service offerings
- Review Outsourcing alternatives (printer support, content. spam filtering, etc.)
- Develop training model and program