



# ***CITY COUNCIL AGENDA REPORT***

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**MEETING DATE:** March 3, 2020

**ITEM NUMBER:** NB-3

**SUBJECT:** ADOPTION OF THE CITY OF COSTA MESA INFORMATION TECHNOLOGY STRATEGIC PLAN ROADMAP AND APPROVAL OF FUNDING PLAN

**DATE:** FEBRUARY 19, 2020

**FROM:** INFORMATION TECHNOLOGY DEPARTMENT

**PRESENTATION BY:** STEVE ELY, INFORMATION TECHNOLOGY DIRECTOR

**FOR FURTHER INFORMATION CONTACT:** STEVE ELY, INFORMATION TECHNOLOGY DIRECTOR, 714-754-4891

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## **RECOMMENDATION:**

Staff recommends that the City Council:

1. Adopt the Information Technology Strategy Plan Roadmap (ITSP) (Attachment 1) that was considered at the City Council Study Session on January 28, 2020.
2. Approve in concept the ITSP funding plan (Attachment 2).

## **BACKGROUND:**

There was a need to conduct an Information Systems and Technology assessment in order to develop and articulate a vision and roadmap for the effective use of technology to support the complex work of the City of Costa Mesa. On March 1, 2017, the Purchasing Division released a Request for Proposal (RFP) No. 17-11 to gather proposals from qualified vendors. The City received five proposals. The top two proposers were interviewed. After the interviews, ThirdWave Corporation ranked first. At its meeting on January 16, 2018, the City Council approved the execution of a Professional Services Agreement to assist the City in developing a five-year Information Technology Strategic Plan and Roadmap (ITSP Roadmap) with ThirdWave Corporation.

In January 2019, the City Council created a goal to "Complete our ITSP Plan."

The ITSP Roadmap will be a living document that can be reviewed and adjusted on an annual basis. It includes prioritized and phased Information Technology initiatives, comprehensive and thorough assessment of the City's existing technologies, operational requirements, and service delivery needs. The ITSP Roadmap also addresses the acquisition and implementation of strategic business technologies, in addition to addressing the sustainability of the ITSP Roadmap with Information Technology Department (IT) staff.

The City Council reviewed the ITSP Roadmap at its Study Session on January 28, 2020.

## **Information Technology Strategic Plan (ITSP) Findings**

The City is a “full-service city” providing a wide range of services. These services include: police and fire protection; emergency medical aid; building safety regulation and inspection; land use planning and zoning; housing and community development; maintenance and improvement of streets and related structures; traffic safety maintenance and improvement; full range of recreational and cultural programs; financial reporting, monitoring, and payments; personnel management; and animal control.

The City of Costa Mesa is also home to the Segerstrom Center for the Arts; Orange County Fairgrounds; South Coast Repertory Theater; and the South Coast Plaza Shopping Center, which is the single largest commercial activity center in the City. The volume of sales generated by South Coast Plaza secures its place as the highest volume regional shopping center in the nation.

## **Summary of Key Findings and Recommendations**

The ITSP Roadmap project identified approximately thirty (30) strategic initiatives spanning management, operational, and technology areas of opportunity. The following provides a summary of the top challenges facing the City:

- 1. Finding: The most acute technology need facing the City is the lack of a contemporary Enterprise Resource Planning (ERP)/Finance system.**

The City is currently facing considerable challenges with its PeopleSoft system due to the age and unsupported state of the system. The ITSP project revealed that there are a number of serious risks with the existing conditions, creating added workload to staff and processes which are less efficient. ERP related requirements at the City include Finance, Purchasing, Human Resources, and Asset Management, among others.

### **Recommendation: Replace the existing PeopleSoft ERP.**

Given the timeline needed to upgrade/implement an ERP, this initiative should be expedited with the development of a Request for Proposal for the procurement of an Enterprise Resource Planning (ERP) system as soon as possible.

- 2. Finding: The City lacks numerous enterprise and departmental application software.**

The City is in the process of installing a new Land Management System, as well as other technologies. However, there is still a significant need for departmental/enterprise systems across several City departments.

### **Recommendation: Implement best-practice and proven departmental applications:**

Evaluate, prioritize, and replace departmental applications identified in this document, focusing on applications highly tailored and responsive to the specific business, functional, and technical requirements of City departments, as identified in the Rapid Workflow<sup>®</sup> workshops.

**3. Finding: The Information Technology Department lacks the capacity to support the implementation of current and proposed ITSP Roadmap initiatives.**

The existing IT Departmental structure, staffing and operational model is not positioned to support existing systems and projects (i.e., Laserfiche, GIS or the new Land Management System or Enterprise Resource Planning system), as well as those identified in the ITSP. The current practice of having all IT staff perform the job responsibilities as other staff in their divisions will not be sustainable with the introduction of new and replacement applications and systems.

**Recommendation: Align the IT Department's resource capacity and skillsets to effectively support existing systems and the IT Strategic Plan Roadmap.**

Although the IT Department is doing a commendable job keeping City systems operational with limited staff resources, the introduction of ITSP initiatives will be unsustainable with the current IT Departmental structure and operating model. This poses the most significant risk to the successful implementation of the City's ITSP Roadmap.

Resource the IT Department with sufficient staff, eight in the first four years of the ITSP. In the first year, these hires would include an IT Manager, Programmer Analyst II, and a public safety Network Administrator, to effectively support existing and future systems to be deployed in the 5-year ITSP Roadmap to ensure public safety and citywide support.

**4. Finding: The City does not have a formal IT Governance policy or process.**

The issue of IT Governance came up in management interviews, IT Focus Groups, and Rapid Workflow<sup>®</sup> workshops. The current policy and process are informal with unclear roles and responsibilities. These have adversely impacted the ability to deliver much needed technologies to City departments and have affected the IT Department's credibility to meet current expectations.

**Recommendation: Adopt IT Governance best practice:**

Implement a formal IT Governance best practices to ensure the appropriate selection and implementation of IT solutions enabling the City to achieve its goals and objectives.

**5. Finding: Police Department in-car video and mobile data computers (Fire & Police) need upgrading.**

The ITSP project revealed that the police in-car video systems are at their end of useful life and the hardware warranty is out-of-date. The clarity of cameras is not up to today's standards. The same is true for the Police Mobile and Fire Data Computers, which impact public safety work.

**Recommendation: Implement new in-car video cameras and MDCs:**

- Purchase new in-car video cameras supporting contemporary HD technology, metadata integration with CAD/RMS, and cloud-based storage.
- Purchase new MDCs supporting IR scanning, support docking stations, and support AVL/GPS and multi-factor security capability.

**6. Finding: City Wi-Fi Infrastructure.**

The project revealed that city facilities lack Wi-Fi infrastructure, which results in impacts to customer service, inability to share information, staff not being able to work off-site, and diminished connectivity.

**Recommendation: Update the City-wide Wi-Fi Network and carry out an Infrastructure and Wi-Fi Master Plan.**

**7. Finding: The City lacks a formal program for end-user technology training.**

The need for improved end-user training came up repeatedly throughout the project in ten of the Rapid Workflow<sup>®</sup> workshops and online staff surveys. In a survey question asking staff about IT's ability to provide services, training rated at the bottom of 11 areas of support, tied with Project Management.

**Recommendation: Implement formal, ongoing technology training to City staff:**

Create a training room for all City staff to utilize for ERP related training, LMS training, Application training, Laserfiche, GIS, MS Office Suite training, and other training.

**8. Finding: The City is not taking advantage of the Managed Print Services.**

The City is using multiple stand-alone printers, and not taking advantage of the potential advantages and cost savings of managed print services. (This includes managing and optimizing printers, output, processes, and people that support these devices.)

**Recommendation: Adopt Managed Print Services.**

Conduct a thorough upfront assessment to analyze the City's current printing infrastructure. Implement managed print services - monitor, manage, and optimize the print output environment; and reduce the number and types of printing devices and supplies while meeting the needs of the City.

**9. Finding: The City should adopt more best practice policies and documented procedures to ensure Information Technology resilience in the event of a disaster.**

The project revealed that the City should formalize its Disaster Recovery Plan, which would improve its ability to recover systems and data in the event of a natural or manmade disaster. Moreover, the City should formalize its Business Continuity Plan to improve emergency operational response and mitigate risks to the City's Information Systems.

**Recommendation: Develop Disaster Recovery (DR) and Business Continuity (BC) Plans.**

Retain a professional organization to develop DR/BC Plans with specialized expertise. Include policies, processes, and procedures to recover and ensure business continuity in regards to technological infrastructure in the event of a disaster, whether manmade or natural. Disaster recovery planning is a subset of a larger process (the Business Continuity Planning) and should include planning for resumption of applications, data, hardware, communications (such as networking), and other IT infrastructure.

### **IT Strategic Plan Roadmap Benefits**

The ITSP project identified substantial potential benefits that could be realized by implementing the strategic plan.

A total of seven hundred-and-forty (**740**) **potential benefits** were identified in thirty-one (31) business process workshops, an average of **twenty-three (23)** benefit opportunities per mission-critical business process. These were grouped into **forty (40) types of potential benefits**. The top five potential benefits include:

- |   |        |
|---|--------|
| • Staff time savings                            | 14.73% |
| • Improved customer services                    | 14.19% |
| • Increased staff productivity and efficiencies | 11.08% |
| • Reduced staff stress                          | 6.89%  |
| • Improved employee morale                      | 6.49%  |

### **Adoption and Funding**

Based on the voluminous amount of data collected from City staff and management, the findings and recommendations of the ITSP Roadmap project, and the opportunities for making substantial progress in the use of emerging Information Technologies, ThirdWave recommends that the City of Costa Mesa Information Technology Strategic Plan Roadmap be implemented and funded incrementally.

In collaboration with the Finance Department, we are presenting the funding plan in Attachment 2 which would provide a recurring funding stream that will ensure the City keeps its technologies up-to-date, efficient, and world-class.

Adoption of the ITSP represents a timely quantum leap into the future in the evolution of an extraordinary City and community. The Roadmap will strategically position the City of Costa Mesa for the next 5 years.

## **ANALYSIS**

This analysis reflects a strategy that is technologically strategic, operationally responsive, and fiscally responsible. It addresses the unique requirements of the mission-critical business needs of the City and its constituents, visitors, and business community.

The ITSP Roadmap is the product of a collaborative effort with City management and staff from all departments who made valuable contributions throughout the project. A focus was placed on addressing management, operational, and technology challenges that could be mitigated with strategic investments in emerging technologies.

The IT department observed numerous strengths within the City including the following:

- The City has made significant investments in departmental and enterprise systems in the last few years. As this project is completed, the City has selected a Land Management System, which will address a number of city-wide technology and customer service delivery needs.
- City staff have a strong level of professionalism, with a conscientious commitment to delivering exemplary service to the residents, businesses, and visitors to Costa Mesa. An online survey produced as part of this project, which queried the community's perspective on customer experience, resulted in one of the highest ratings ThirdWave has seen in the last 10 years: 75% of respondents rated their customer experience as "Excellent/Very Good." If "Good" responses are included, the total rating is an impressive 84%.
- After overcoming financial challenges in past years, the City Manager, Assistant City Manager, IT Director, and leadership team expressed a considerable level of energy and interest in reshaping how the City provides extraordinary service by leveraging the City's Information Technologies. The ITSP Roadmap focuses on improving the status quo and articulating a path for becoming an exceptional city.

The challenge of adopting, funding, and implementing an ITSP Roadmap is a formidable one. However, given its 5-year timeline, there is latitude to execute the technology initiatives identified in the ITSP. The ITSP Roadmap is a living document that can be reviewed and adjusted on a yearly basis, as needed. It provides an opportunity for new, more efficient ways of providing services, coupled with strategic investments in technology.

The cornerstone of the ITSP Roadmap is to ensure that investments in the City's major business systems are sound and deliver the highest possible value to the City and its constituents. Moreover, the ITSP document provides a wealth of data that can be leveraged over the next five years to facilitate excellence in municipal services, civic participation, and community well-being.

## **Project Goal and Objectives**

The goal of the project was to create an exceedingly responsive five (5) year ITSP Roadmap employing a highly participatory process engaging City staff from all departments, management, the IT department, and constituents.

The objectives are to:

- Connect technology resources, innovation, and initiatives to the City's core values and mission-critical services;
- Serve as an effective framework for how IT services are delivered throughout the City; and
- Define a clear set of goals, guiding principles, and strategic priorities for accomplishing the City's ITSP, principles, and implementation.

The ITSP Roadmap represents the result of a comprehensive City-wide assessment of the City's IT needs. It provides a high-level technical specification for more than 30 Information Technology projects, including a compelling business case for each.

The ITSP Findings and Recommendations document contains articulated objectives guiding how the City delivers innovative and effective services internally and to the public.

## **Project Approach and Methodology**

The ITSP Roadmap employed a comprehensive and structured best practice methodology. It also employed ThirdWave's patented data-driven method, which collected and synthesized various types of information, including:

- Data on existing and planned Information Systems;
- Focus Groups with IT staff and management;
- Interviews with the City's leadership team;
- Online Staff Survey, to allow all City staff the opportunity to provide input;
- Online Community Survey, to allow residents the opportunity to provide input; and,
- Thirty-one (31) Rapid Workflow<sup>®</sup> business process improvement workshops addressing mission critical business functions.

## **ALTERNATIVES CONSIDERED:**

The City Council could select to not adopt, fund, and implement the plan or amend the plan.

## **FISCAL REVIEW**

The ITSP is presented for five years beginning with Fiscal Year 2020-21. A summary of the technology improvements and staffing recommendations are below:

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL
Technology Improvements	\$1,405,000	\$1,190,000	\$1,366,000	\$2,250,000	\$1,880,000	\$8,091,000
Increased Staffing Costs	415,000	290,000	330,000	140,000	-	1,035,000
TOTAL	\$1,820,000	\$1,480,000	\$1,696,000	\$2,390,000	\$1,880,000	\$9,126,000

In evaluating the possibilities for funding the ITSP, IT and Finance worked collaboratively to evaluate the best way to fund not only the ITSP but future technology needs beyond the five years included in the plan. During discussions with the Finance and Pension Advisory Committee (FiPAC) regarding the technology challenges the City is facing, the Committee requested Finance staff to review the Capital Asset Needs (CAN) Ordinance and evaluate whether the City should consider allocating a portion of the 6.5% of General Fund revenues for capital projects to help address the City’s capital technology needs.

As a result, the Finance Department and Public Services department worked to evaluate the City’s capital infrastructure needs, particularly focusing on the programs that require a General Fund match or cannot be funded through restricted revenue sources. We concluded that 5% of General Fund revenues was an adequate amount to dedicate for capital projects and the remaining balance of 1.5% could be used to address the City’s current and future technology needs.

On January 8, 2020 the FiPAC reviewed the ITSP funding plan and the impacts on the capital improvement program was considered. The FiPAC voted in favor of reducing the CAN Ordinance to 5% and creating a new ordinance for technology committing 1.5% of General Fund revenues for a net neutral effect. Staff anticipates proposing such changes to the Costa Mesa Municipal Code in spring 2020.

On January 28, 2020 the IT Department presented the ITSP at the City Council Study Session for their consideration. Since that time, the staffing resource recommendation has been updated to reflect the addition of a Network Administrator for Public Safety.

If approved, appropriations for the first year of this project will be included in the Fiscal Year 2020-21 budget in the amount of \$1, 820,000 in the IT Replacement Fund. Funding for the 1.5% is estimated to total approximately \$2,000,000. Future years’ allocations will be included during the budget development process in the IT Replacement Fund.

The budget estimate included in the ITSP Roadmap reflects a comprehensive analysis, drawing on specific data collected in the course of the ITSP Roadmap project; however, they are only preliminary estimates. Exact costs cannot be determined until formal procurements are conducted and bids are received. As such, staff is recommending a permanent funding solution that would allow for additional funds in the event that implementation costs are higher than estimated. In addition, this would provide funding for the implementation of systems currently shown in the “Future/TBD” column once a more thorough evaluation of those needs can be completed.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and approved it as to form.

**CONCLUSION:**

The Information Technology Strategic Plan Implementation Roadmap provides the City direction on how to support the City Council's goals and priorities. It is, therefore, recommended that the City Council adopt and fund the Information Technology Strategy Plan Roadmap.

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ATTACHMENTS:

- 1 [ITSP Roadmap Executive Summary](#)
- 2 [ITSP 5-Year Costs and Funding Plan](#)

