To: IT Steering Committee

CC: file

From: Art Pembroke

Date: 12/13/2016

Re: Fiscal Year 2018 Budget Information

Presented for your review is the proposed budget for fiscal year 2018 and supporting documentation. This cover letter and the following documents comprise the budget packet for you this year:

1- Fiscal year 2018 IT&S detail budget report – This budget does not have personnel costs included at this time. Other fixed costs were included using a 2% increase factor.
2- Fiscal year 2018 updated CIP detail report
3- Fiscal year 2018 Cash Flow Analysis provided by the County Finance Officer.

The proposed base budget is very comparable to our FY17 base budget. At this time we do not have the FY18 personnel services amounts entered. A key change to note with this year's base budget is the move away from our Novell networking environment toward a new Microsoft environment. This also includes moving the City and County to Microsoft Exchange / Outlook over the next several months. This project will be discussed during our upcoming budget meetings. We anticipate being fully migrated to the Government Community Cloud by the start of our FY18 budget.

The CIP budget amount for FY18 is $386,330. The CIP items for FY18 are shown in the CIP included with this package. The most significant pieces of this years CIP are:

- Enterprise iSeries Replacement ($57,000)
- Enterprise Digital Imagery Update ($97,000)
- Enterprise Telecom Replacements / Upgrades ($34,250)
- Network Switch and Router Replacements ($63,710)
- Wide Area Network Radio Equipment ($30,310)
- Enterprise Server Replacements ($35,900)
- Enterprise Printer Replacements ($33,150)

Fiscal Year 2018 Budget Overview

Fiscal Year 2018 Base Budget:

The FY2018 base budget once again is similar to prior years. It is basically what is needed to continue to serve you, our customers. Those items included in our base budget are such things as personnel, insurance, rent and software licensing for our enterprise software. The one notable addition to our base budget this year is the inclusion of an annual subscription service to provide the City / County with government cloud based Microsoft Exchange Services. This cost is basically offset by the reduction of our Novell and associated support licensing.

Fiscal Year 2018 Capital Improvement Plan:

The FY2018 capital improvement plan remains basically the same as it has for the past several years. We will continue to manage our infrastructure through this tool and insure our customers have quality service at all times. As we continue to mature our wide area network to include gigabyte speeds, we will update the CIP to reflect those costs. Items covered under this year's capital plan include enterprise central infrastructure equipment, enterprise software licensing, enterprise telecom services and enterprise printers.

Fiscal year 2018 New Projects:

At this time there have been no "New" project requests ready to be submitted. Any new requests will be submitted and reviewed by the IT Steering Committee prior to forwarding to the IT Board.

It is my intent to act on the base budget in our next budget meeting tentatively set for December 21, 2016. At that time I will also provide information for any "New" projects.