



To: David Whitaker, Director
Legislative Policy Division
From: Art Thompson, Director
Department of Innovation and Technology
Date: March 28, 2023
Re: Responses to 2023-2024 Budget Analysis

Please find below responses to your questions sent on March 8, 2023, regarding the proposed Fiscal Year 2024 Proposed Budget for the Department of Innovation and Technology (DoIT).

1. Please briefly explain the DoIT's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2024. Please provide which appropriation/cost center the new initiative/proposal is impacting in FY 2024.

- *A large change is the inclusion of the required shared technology expenditures for software and hardware in DoIT's FY24 budget. Previously these expenditures were included in the Non-Departmental budget. This change impacts appropriation 29310, cost center 310200.*
- *Another change is an increase in the cost of providing Microsoft licenses to City employees. This change impacts appropriation 29310, cost center 310200.*
- *Overtime for 24/7 operations is included for customer support, incident response & investigation, in appropriation 29310, cost center 310010.*

2. DoIT's FY 2024 Proposed Budget is \$57.3 million, a \$21.7 million increase (61%) increase over the FY 2023 budget of \$35.6 million due to the consolidation of IT software and hardware costs from the Nondept agency. Correspondingly, on B31-7, Operating Supplies increases by \$16.3 M in FY 2024, and Operating Services increases by \$5.2 M in FY 2024. Please explain these increases. Please briefly describe the IT costs that was transferred from Nondept.

- *The increase in Operating Supplies was due to \$500K in hardware maintenance and \$15.8 million in software maintenance that were moved from Non-Departmental. Hardware maintenance includes items such as server maintenance, network wiring, and fiber maintenance. Software maintenance includes all enterprise software that supports City employees, such as Microsoft, Oracle, Smartsheet, and UltiPro.*
- *The increase in Operating Services was due to \$5.2 million in telecommunications costs that were moved from Non-Departmental.*



3. Please explain how ARPA funds were utilized in the FY 2022 and the FY 2023 Budget. Please explain what other City agencies were the beneficiaries of these ARPA funds for technology purposes in accordance with the ARPA federal guidelines.

ARPA 2022 DoIT Budgeted projects:

- Enterprise Data Warehouse
- Server, Storage, and Backup replacement (Coordinated projects throughout multiple departments)
- Network Infrastructure replacement
- Oakman records management (GSD Coordinated projects)
- BerryDunn IT Consulting Coordinated projects throughout multiple departments)
- JET Jumpstart allocation

ARPA 2023 DoIT Budgeted projects:

- Enterprise Data Warehouse
- Server, Storage, and Backup Replacement (Coordinated projects throughout multiple departments)
- Network Infrastructure Replacement
- City Network Fiber Redundancy
- PC Refresh
- Data Center Upgrades
- HRD Data and Management Incentives Portal (HRD Coordinated project)
- Oakman Records Management (GSD Coordinated projects)
- IT Inclusive Apprenticeship Program (CRIO Coordinated projects)

ARPA 2023 Digital Divide projects:

- Connect 313 Digital Data Operation
- Hope Village Open Access Network
- Digital Inclusion Marketing and Communications
- Digital Equity Coordination and Technical Support
- Detroit New Apprenticeship Program
- Detroit Housing Commission (DHC) Connected Communities Network (DHC Coordinated project)

Additionally, DoIT invested funding in scaling and creating documentation on the projects and staffing needed for the projects. Outside of the Digital Equity efforts of the city, most of DoIT's ARPA projects are to support and uplift department functions.



4. On page B31-7: Please explain the following changes in expenditures (note: see question 2 above for the increases in Operating Supplies (\$16.4 million)/Operating Services (\$5.3 million):

a. Salary & Wages, increased from \$13.8 million in FY 2023 to \$14.4 million in FY 2024; a \$.6 million, 4.2% increase.

The increase is due to the standard general wage increases for General City employees.

b. Professional and Contractual Services decrease by .3 million from \$8.3 million in FY 2023 to \$8.0 million in FY 2024. Is this small decrease due to multi-year contracts or changes in the number of contractual staff/consultants, etc.?

This is due to a decrease of about \$200K in supplemental staffing and \$120K in other contracts.

5. On page B31-8: Please explain the following increases/decreases:

a. Cost Center 310020- Departmental Technical Services- decreased by \$527,427; (-35.2%).

This reflects the citywide rent consolidation and the end of contract funding with Cypress Payroll Printing.

6. According to the Office of the Chief Financial Officer (OCFO), as of December 31, 2022, the department had 14 vacancies. As of February 10, 2023, the department had 17 vacancies. Briefly describe the reason for the vacancies. Also, briefly explain the department's strategy to fill any vacant positions.

DoIT continues to work closely with recruiting and thanks them for their support. Some recent progress on open positions:

- Filled 7 positions via internal promotions. This is good for morale, retention, and recruiting but also creates another opening.*
- In last month, the department has made 7 job offers for open positions*
- Turnover rate below industry averages during a very challenging market*

7. The FY 2024 DOIT proposed budget includes 144 positions, a net decrease of 1 from 145 budgeted in FY 2023 (multiple position changes in several cost centers). Please explain the shift in positions. As of 2-10-2023, there are 15 actual FTEs under ARPA; where are these positions located in the proposed budget?

DoIT working with OCFO, Budget, and HR has continued to evaluate our department structures and where it is more efficient, has moved positions between cost centers. One



large example of this in the current budget is moving the Service Desk from Enterprise Technology Operations to the Service Level Manager (SLM Team).

All positions for the DoIT ARPA related FTEs are assigned to cost center 310010. There is no funding for these positions in the DoIT budget as they are funded with funds from the ARPA projects they are assisting with.

8. Please provide an update on cyber security improvements to protect City's computer system infrastructure and prevent breaches and hacking.

We have continued to work towards improving cyber security defenses, including training that will be rolling out in the next few months training is the most critical cyber defense tool we have available, more aggressive pushing of software patches (which unfortunately often require a device reboot) and strong enhancements in password requirements. In addition to hardware and software enhancements we can talk about in a more detail closed session.

9. Briefly describe any current and proposed collaborations between DOIT and community organizations that address the "digital divide".

a. Please provide an update on the Digital Inclusion pilot project.

The RFP for the Hope Village Fiber project is out to bid and closes in April. We had an initial vendor Q&A which had over 6 vendors participate.

b. Please provide an update on DOIT's partnership with Connect 313 and human I- T.

The City of Detroit holds a seat on the Connect313 board. Since appointing a new Director of Digital Equity and Inclusion, Christine will serve as Chief Advocate for the City and Digital Equity for our collaborative efforts.

Human I.T. was awarded a contract by the city to handle secure and environmentally sound disposal of older electronics that are not in use from the city and refurbished into equipment that can be sold at a discounted price.

10. City Council expressed a desire to have more contracts awarded to Detroit-based and minority-owned businesses. Does DOIT have any current or proposed initiatives included in the proposed budget to address Council's concerns?

In 2018, former OCP Director Boysie Jackson and Mike Homant started an annual Technology Company Outreach to encourage companies to bid on our solicitations, with focus on Detroit companies.



DoIT CTO and Deputy CIO Mike Homant is working with current OCP Director Sandra Yu Stahl to update the outreach, to twice a year and improve the format. The new format will include speakers from CRIO, Tax, Law, DoIT and OCP and will invite all Council offices to speak as well. The next outreach is being planned for the next couple of months and is expected to be held at the FocusHope building in cooperation with Human-I-T.

OCP has started regular outreach meetings across all product categories, and DoIT is committed to participating in any event that may have a technology component.

11. Capital projects identified for funding in the Capital Agenda in FY 2024-which projects/(and amounts) are included in the proposed budget:

- a. Please explain the role of PLD and DOIT in the technology infrastructure project utilizing optics lines. What is the status of this project?**

DoIT has historically worked closely with PLD for our private fiber routes and currently has fiber connectivity to ten City of Detroit facilities all of which traverse through PLD's conduit system. Under ARPA, we are leveraging PLD's conduit system to make the fiber between the datacenters more resilient.

- b. DivDat machines- what is the city's cost per machine; in which department's operating budget is this recorded?**

The DivDat machines are managed by the Treasury office within OCFO but used by many departments across the City. DoIT doesn't not have cost information about these devices.

- c. What is the replacement schedule for desktop and in car DPD cameras?**

After the City refreshed devices in 2015 -- many of which were over 10 years old, obsolete, and unreliable causing poor reliability and hindering productivity of the employees -- DoIT implemented a process of replacing all computers every 4 years or 25% of the devices each year.

Normal industry practice is to replace computers every 3 years to match the used life with standard manufacture warranty. DoIT evaluated failure rates of hardware in the 4th year of use and determined the City has had very few device failures in the 4th year of use. This schedule generates significant of taxpayer funds by extending the used life of devices by 33%.



In DPD, car cameras are replaced the majority of the time when a new vehicle is purchased and deployed.

d. Is there an alternative funding source for the Hart Plaza electronic sign?

GSD is working on update and revitalization plans for Hart Plaza. DoIT will work with them in anyway needed. DoIT partnered with GSD to rollout Wi-Fi in Hart Plaza last year.

e. What is the plan to replace obsolete department IT systems; what is the average age of these systems?

In the last 6 years, DoIT has implemented replacements for obsolete systems with the following applications: Cherwell, Ultipro, Oracle Cloud ERP, Clever Devices, Exchange Email, ProofPoint, CrowdStrike, and SharePoint/OneDrive.

DoIT continues to work with our individual departments on obsolete systems, such as City Law.

f. How much of the Public Safety software- Central Square replacement can be funded with grants; how much would the General Fund contribute? In which cost center is this cost funded?

DoIT is not aware of any restrictions that would prevent grant funding from funding all the costs. DoIT is working to maximize the use of 911 surcharge funds and work with Office of Development and Grants, to identify other grants to help with this project. The cost center for the project will depend on the final funding sources. Expenses that cannot be funded via grants will be funded from cost center 310220.