



Village of Oak Brook

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Oak Brook Public Library

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Oak Brook Sports Core

Bath & Tennis Club
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Information Technology Services Division Report

Background

The following report was developed from conversations held with Blaine Wing, David Niemeyer and Jim Fox from the Village of Oak Brook by Committee members Todd Rusteberg and Randall Teteak, both of whom have substantial professional experience in information technology. The information from these conversations provided the basis for the comments and recommendations provided within this report.

When the Information Services Division was formed in the mid 1990's the IT infrastructure was built around a data network connected via ISDN telephone circuits to primarily support the Finance Department software product. Additionally, desktop file and print serving capabilities were added – all with static IP addresses and manual workstation configurations.

The model has grown to support integration of all Village Departments on a uniform hardware and software platform currently utilizing a fiber optic backbone. The ITS (Information Technology Services) Division uses Microsoft Architect base Server technologies to manage multiple Application server (Mail, Database, Security Both Data and Physical) users and groups based on Village-wide organizational units.

There are specialized interfaces for Public Safety with integration to DuPage County Emergency Telephone System Board (ETSB) networks and the Illinois State Police.

- All Village computers, printers, and copiers are managed centrally using remote and web based technologies.
- ITS Division provides 24x7 support to all technology base Village services.

The model has also grown to include a variety of IP technologies like Telecommunications Messaging and Security equipment.

There has been some recent restructuring of the IS Department. The Director position was eliminated on March 31, 2009 and the responsibilities of the position were assumed by the Assistant Village Manager. Additionally, the Department was reclassified and named the Information Technology Services (ITS) Division under the Administration Department. Shortly after the reorganization, a Full-Time ITS Tech position was eliminated on June 29, 2009.

The current objectives of the ITS Division are as follows:

- Identify cost effective staffing and support alternatives
- Reduce hardware and software installations
- Reduce printer and copier installations and associated expenses
- Utilize virtualization to consolidate servers and reduce end user system costs

Employee costs for the ITS Division

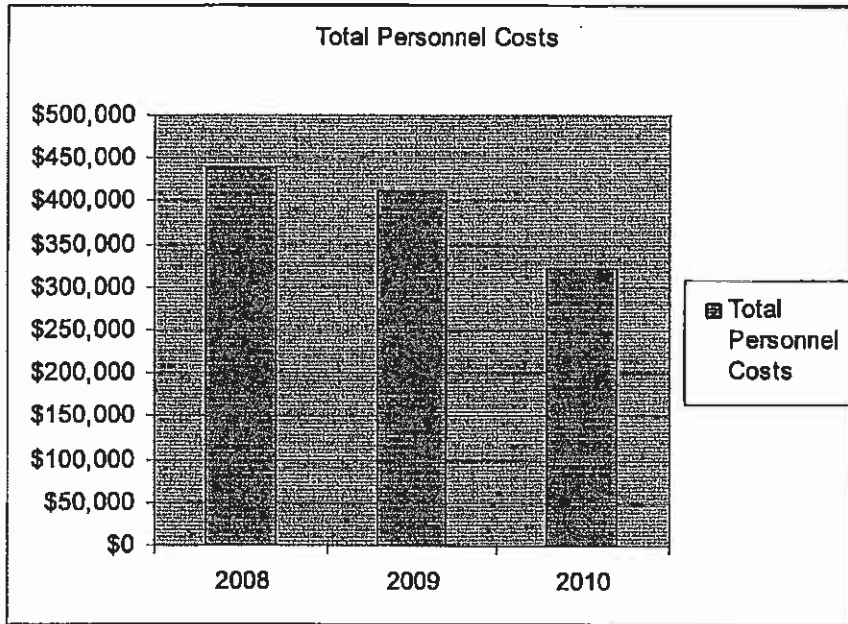
The ITS Division began planning for reductions in overall employee costs prior to the current fiscal year. For comparison and historical purposes, the 2008 fiscal year actual costs are included here:

2008 Fiscal Year (Actual)	
Total Personnel Costs	\$439,601 Including benefits
2009 Budget (Expected)	
Total Personnel Costs	\$412,943 including benefits
2010 Budget (Expected)	
Total Personnel Costs	\$321,892 including benefits

Total ITS Division Employee Cost Summary

- 2009 estimated costs compared to the 2008 actual costs
 - Reduction in total costs of 6.6%
- 2010 budgeted costs compared to the 2009 estimated costs
 - Reduction in total costs of 22.05%
- 2010 budgeted costs compared to the 2008 actual costs
 - Reduction in total costs of 26.78%

The following chart is a graphical representation of the Personnel costs related to IT from 2008-2010.



2010 Planned Project Summary

For 2010 the ITS Division will continue with the goal of reducing costs and improving efficiencies. In addition, a comprehensive strategic plan will be written to define and coordinate technology projects and services throughout the Village.

Major projects for the year include the initial implementation of server and desktop virtualization (VMWare) to provide centralized operation. In addition, the division is consolidating document printing and copying services. Both of these projects are expected to have significant cost savings for the Village.

The division is also working to reduce costs through the reduction of telecommunication costs with the implementation of wireless monitoring of the Village's water system. In addition, the final installation of wireless monitoring of security and fire protection systems at all Village buildings will be completed. Both of these initiatives are expected to have a 10 year cost savings in excess of \$200,000.

The division is continuing with the strategy to standardize hardware and software Village-wide along with the consolidation of existing equipment as part of the on-going work force reduction plan. The division is expecting to significantly reduce long term hardware and software costs throughout the Village.

The division is also in the process purchasing and installing standardized software products throughout Village operations. In addition, a comprehensive standardized training program for these software products is being planned with an overall goal of improving employee efficiency.

Observations/Comments/Recommendations:

In order to provide a relevant strategy, we need good, in depth information about what is currently in place. In addition, we need to consider what the future holds for the Village organizational structure overall. In other words, we need good assumptions about the future, since they can have impact on the way the Village ITS division is organized and the way their IT strategy is defined. Based on conversations with the Village Manager and the Assistant Village Manager and his team, the overall Village IT System is a bit "behind the times" in terms of its maturity and use of advanced technologies. They are not alone; many companies are in the same boat in various areas of their IT departments and technology.

The Finance Advisory Committee has received a good amount of information about the Village's ITS staff; but realistically, a detailed study of the division would be needed to provide a comprehensive recommendation. With that being said, the following comments and recommendations will provide direction on what good practices are related to IT and also make specific recommendations for the Village of Oak Brook based on the information received.

The Village ITS division has been forced to reorganize with the recent retirement of Bruce Kapff earlier in 2009. However, some positive initiatives are already underway to reduce complexity and standardize systems. The following recommendations align with the current activity and offer additional areas to pursue.

1. Understand Village "to be" structure and develop / modify ITS strategy to align and support the overall Village organization and strategy.
2. Conduct full review of the Village's technology division, look at all current IT contracts and renegotiate or consolidate where possible. Identify opportunities to consolidate support contracts with other municipalities or with other Oak Brook Village government bodies (i.e. School District, Park District, etc.).
3. Utilize virtualization technologies such as VMWare to significantly reduce hardware platforms.
4. Disaster Recovery planning must be a key component of a virtualization strategy as the Village will be putting the eggs in fewer baskets and a hardware failure without a proper DR plan in place could be detrimental to Village Operations. In addition, we recommend reviewing / developing an all encompassing Disaster Recovery plan for the Village related to both Internal and external Village IT systems.
5. Relentlessly standardize hardware and software. This should be an anchor for the Village IT strategy and all Village departments should operate under this principle where rogue IT purchases by other divisions is not allowed.
6. Implement a business case process for all projects being considered where a clear Return of Investment (ROI) is developed and only projects that will deliver a positive ROI or cost savings related to streamlining or simplifying will be pursued. The business case should also include total cost of ownership including ongoing operational expenses/charges (i.e. annual licensing, upgrades, maintenance, etc.). The project business case review should include a formal approval by senior Village Administration and relevant staff to ensure no non-essential projects are taken on during this time.
7. Identify opportunities for selective outsourcing of applications or functions (i.e. Payroll)
8. Organize the many small projects into groupings of related projects and manage them as a program vs. managing the large number of projects separately. There is a large amount of overhead associated with ramping up each project and it is important to understand how the planned projects relate to each other. When the relationships are understood, it is more efficient and will reduce this overhead if the related projects are

grouped and managed as a program of work rather than individually. Prioritize the projects according to value & cost savings that will be delivered.

9. The costs of the ITS Division should be allocated to all of the various Village departments and operations that it supports on a systematic and rational basis. The Committee views this as a broader issue to be addressed relative to the allocation of the costs of centralized functions within the Village. The committee believes this type of procedure to be appropriate in order to reflect the true costs of the various operations, and also due to the fact that several Village operations are in separate accounting funds and have separate sources of revenue – e.g., the Water Department fund and the Sports Core, both of which are funded with user fees. The General Fund should not be bearing costs related to the operations of these separate funds. The Committee will be reviewing this issue further and expects to have further commentary on it as its work progresses.
10. The Assistant Village Manager should work with his staff and potentially a consultant to identify savings opportunities or efficiencies within the division. These opportunities should be considered:
 - Server Virtualization
 - Storage and Archive strategies
 - Implement strong standards for hardware and operating system platforms to simplify support
 - Develop an IT Architecture model to align technologies across the Village rather than have rogue technology that may or may not work with your current strategy
 - Review and document the Villages business processes and align it with the technology architecture
 - Determine what non-discretionary and discretionary spend is within the IT group
 - Centralize all IT project & procurement decisions and control to the central ITS Division. Transfer resources and budgets if necessary to gain control and control standards to ensure strategy alignment
 - Validate external services provided by external vendors have a comprehensive DR plan in place

Some actions have already been taken or are being taken by the ITS Division that has reduced budget from 2008 through the 2010 plan. The Village Finance Committee commends these activities by the current ITS team.

The Committee hopes that this report is useful to the Board. We appreciate the opportunity to present our findings to the Board. As stated in the previous report, the Committee has tried to capture all of its observations/comments and recommendations related to IT, but may have further points as our work progresses, which we will communicate to the Board.

The Committee's IT Lead will be present at the September 22nd Board meeting to review the highlights of this report and answer questions you may have.

Respectfully submitted,

Citizens Finance Advisory Committee

Donald N. Adler, Chairman

Norma Lauder

Randall Teteak

George Paul Klein

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