

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 15

DATE: March 4, 2008

STAFF: Tom Vosburg

SUBJECT

First Reading of Ordinance No. 025, 2008, Authorizing the Transfer of Existing Management Information Services Appropriations from the General Fund to the Data and Communications Fund.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

This Ordinance transfers the current Management Information Services (MIS) budget from the General Fund to the Data and Communications Fund in the amount of \$6,317,698. These appropriations are funded by MIS charges to departments and other revenue (\$2,320,813) and the General Fund (\$3,996,885). In addition, all MIS related fixed assets estimated at a net value of \$6.4 million will also be transferred to the Data and Communications Fund. This transfer has no financial impact on the City.

EXECUTIVE SUMMARY

This Ordinance authorizes the transfer of funds budgeted in the General Fund to the Data and Communications Fund to support operation of the 2008 Management Information Services (MIS) Program.

One change in the City's operation business model that is being implemented in 2008 includes moving all of the City's central information technology functions out of the General Fund to an existing internal service fund – the Data and Communications Fund.

BACKGROUND

During the 2008 – 2009 budget process there were discussions about consolidating the Management Information Services budget into one fund. Currently, IT operations are managed out of both the General Fund and the Communications Internal Service Fund. Consolidating IT operations into a single internal service fund will provide greater transparency into IT operations and better support the MIS department in tailoring service levels to different internal and external agencies. This business model is recognized as a best practice.

In order to have adequate time to address the details of setting up MIS services as an internal service fund with charges to other City departments Budget, Finance and MIS staff agreed that it would better balance the workload to appropriate the 2008 MIS budget in the existing MIS General Fund accounts, and then transfer the appropriations to the Data and Communications Fund early in the new year. All future MIS budgets will be appropriated directly into the Data and Communications Fund.

ORDINANCE NO. 025, 2008
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE TRANSFER OF EXISTING MANAGEMENT INFORMATION
SERVICES APPROPRIATIONS FROM THE GENERAL FUND TO THE DATA AND
COMMUNICATIONS FUND

WHEREAS, Management Information Services (“MIS”) has appropriations budgeted in the General Fund and in the Communications Fund; and

WHEREAS, the Communications Fund is an Internal Service Fund which accounts for Management Information Services budgets related to the telephone infrastructure and services; and

WHEREAS, the computer equipment and systems, and network infrastructure and services of Management Information Services have been accounted for in the General Fund; and

WHEREAS, technology has changed and there is no longer a clear distinction between the data network infrastructure and telephone infrastructure; and

WHEREAS, Section 8-57 of the Code of the City of Fort Collins authorizes the creation of Internal Service funds to account for the financing of goods or services provided by one service area, department or agency to other service areas, departments or agencies of the City, or other governmental units, on a cost reimbursement basis; and

WHEREAS, consolidating Management Information Services into a single Internal Service fund, the Data and Communications Fund, will provide greater transparency into Information Technology operations and better support MIS in tailoring service levels to City departments and external agencies; and

WHEREAS, this business model is recognized as an industry best practice; and

WHEREAS, the MIS appropriations in the General Fund are funded by MIS charges to departments (\$1,812,364), other revenue (\$508,449), and the General Fund (\$3,996,885); and

WHEREAS, the revenue received by MIS in the General Fund will be transferred to the Data and Communications Fund with the related appropriations; and

WHEREAS, the MIS appropriations funded by the General Fund will be transferred to the Data and Communications Fund and funded by a transfer from the General Fund; and

WHEREAS, all MIS related fixed assets, which are estimated at a net value of \$6.4 million, will also be transferred to the Data and Communications Funds; and

WHEREAS, transferring funds from the General Fund to the Data and Communications Fund will have no financial impact on the City; and

WHEREAS, Article V, Section 10, of the Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund to another fund, provided that the purpose for which the transferred funds are to be expended remains unchanged.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that:

Section 1. The unexpended appropriated amount of TWO MILLION THREE HUNDRED TWENTY THOUSAND EIGHT HUNDRED THIRTEEN DOLLARS (\$2,320,813), funded by MIS revenues is hereby authorized for transfer from the General Fund to the Data and Communications Fund and appropriated therein.

Section 2. There is hereby appropriated from a transfer from the General Fund to the Data and Communications Fund the sum of THREE MILLION NINE HUNDRED NINETY SIX THOUSAND EIGHT HUNDRED EIGHTY-FIVE DOLLARS (\$3,996,885) for expenditure in the Data and Communications Fund for Management Information Services.

Introduced, considered favorably on first reading, and ordered published this 4th day of March, A.D. 2008, and to be presented for final passage on the 18th day of March, A.D. 2008.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 18th day of March, A.D. 2008.

Mayor

ATTEST:

City Clerk