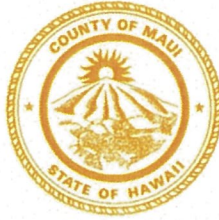


MICHAEL P. VICTORINO
Mayor

SANDY K. BAZ
Managing Director

TYSON K. MIYAKE
Deputy Managing Director



**DEPARTMENT OF
MANAGEMENT**
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII
96793

March 11, 2019

RECEIVED

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**OFFICE OF THE
COUNTY COUNCIL**

APPROVED FOR TRANSMITTAL

Keani N.W. Rawlins-Fernandez, Chair
Economic Development and Budget Committee
Maui County Council
200 South High Street
Wailuku, HI 96793


Mayor 3/13/19
Date

Dear Ms. Rawlins-Fernandez:

**SUBJECT: PRE-BUDGET SESSION PRESENTATION (DEPARTMENT OF
MANAGEMENT) (EDB-24(8))**

I am in receipt of your letter dated February 21, 2019 requesting an overview of the Department of Management and other information. I provide the following responses to your request. Also included in this letter is a presentation of the Information Technology Services Division. The division is the largest of the Department of Management and the greater part of funding appropriated to the department.

Departmental Overview

The Maui County Charter, Section 8-1.3, provides specific mandates for the Department of Management to follow. It states that the managing director shall:

- Act as the principal management aid to the mayor.
- Supervise the administrative functions of those agencies, departments, boards and commissions assigned by the mayor.
- Evaluate the management and performance of each agency.
- Prescribe standards of administrative practice to be followed by all agencies under his or her supervision.
- Supervise and coordinate those functions described in Subsections 7-5.6, 7-5.7, and 7-5.8.
- Perform all other duties and functions required by this charter or assigned by the mayor.

Guided by these mandates the department's mission is to: *develop an effective and responsive county government that aims to create a strong and diversified economy; continue to focus on providing suitable public infrastructure and core services for our residents and visitors; ensure that our communities are prepared, safe, and livable; and, protect our future by creating a healthy and sustainable Maui County.*

Strategies

The Department of Management uses a variety of accepted management practices to assure that all operating departments are fulfilling their Charter mandated responsibilities safely and responsibly; and, providing core services to the public in the most efficient and cost-effective way possible. These strategies include:

- Establishing and maintaining effective working relationships and communication with department heads, deputies, employees, boards, commissions, and other agencies.
- Identifying, developing or upgrading, and implementing necessary organizational policies and procedures.
- Monitoring and evaluating the overall effectiveness and efficiency of the departments.
- Utilizing a performance based form of management to promote efficiency, accountability, transparency, and productivity in county government.

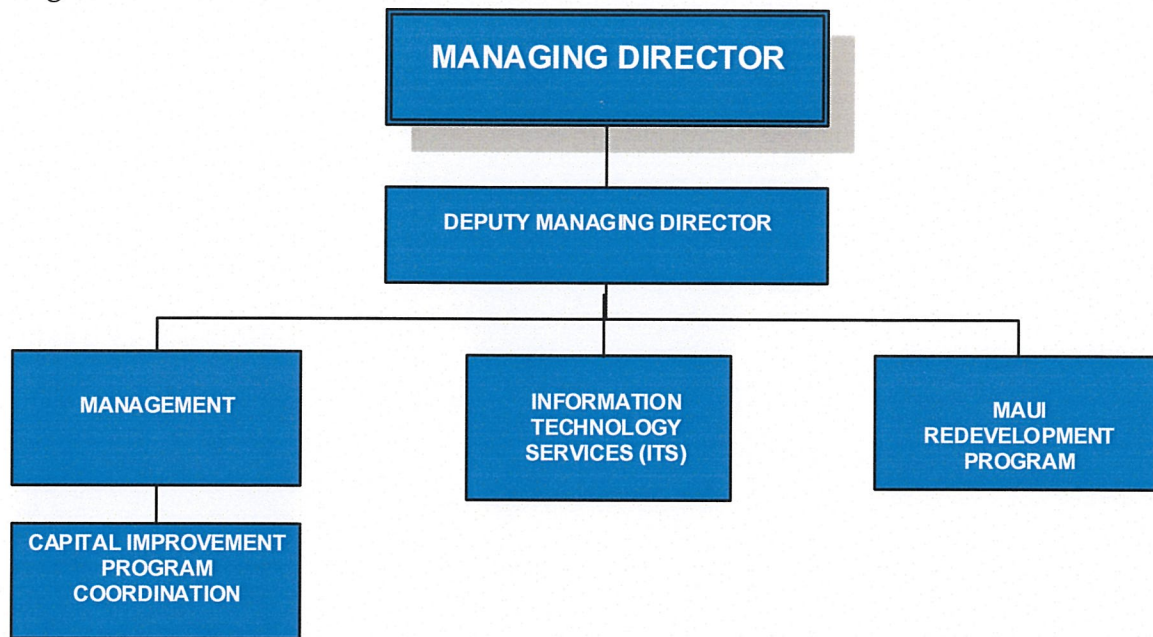
Operations

In keeping with the Charter mandates, the Department of Management's primary operational objective is to manage and provide management support and oversight for all county departments and agencies through actions that are measured and tracked. Management's secondary operational objective focuses on implementing the Mayor's vision and priorities through the departments while also assuring compliance with budgetary requirements.

The department, in striving to provide direct services to the county, also oversees and manages the following programs and activities:

- Americans with Disabilities Act (ADA)
- Annual Community Satisfaction Survey
- Capital Improvement Projects (CIP)
- Equal Employment Opportunity/ Affirmative Action (EEO/ AA) Compliance
- Fleet Management System
- Information Technology (IT) Services (ITSD) Division
- Geospatial Data Services through Enterprise GIS Section
- Performance Management Program Administration
- Vehicle Use Policy Administration
- Violence in the Workplace Action Plan Administration

Organization Chart



Response to Questions

1. *Identify the departments top three to five strategic goals:*
 - a. Evaluate the management and performance of each agency.
 - b. Provide strategic management and improve operational effectiveness for each department, agency, board and commission as assigned by the Mayor.
 - c. Deliver mature and effective IT Services in alignment with organizational initiatives.
 - d. Orchestrate key infrastructure projects that catalyze the private sector to reinvest.
2. *Identify the objectives that will be implemented to meet those strategic goals and the intended result*
 - a. Conduct evaluations on the management and performance of each agency on an annual basis.
 - b. Improve executive management capacity by providing advanced management training to all directors and deputies each fiscal year.
 - c. Increase ease of access to services through online access and self-service portals
 - d. Redevelop the Wailuku municipal parking lot with opportunities for mixed-use development that will create an activity generator.
3. *Identify funds that will remain unencumbered from the FY 2019 Budget and the reasons why the funds were not encumbered.*
 - a. We project that approximately 1% of the funds allocated to the Department of Management for FY 2019 will remain unencumbered, similar to FY 2018.

4. *Identify the department's estimated fixed costs and discretionary costs.*
 - a. Within the Department of Management Admin Program and Maui Redevelopment Program, discretionary costs are generally related to professional services and training. These include contracts for Network Fleet, See Click Fix, Clean & Safe Program, and the Wailuku Redevelopment mitigation. Discretionary costs in the ITS Program include training, travel, professional services, some supplies and expansion hardware and software. All other costs are considered fixed.
5. *Identify cost savings measures the department intends to implement.*
 - a. Travel. Management continues to work closely with the Budget Office and Department of Finance's Purchasing Division since including travel as a focus point for cost reduction. As part of our efforts, we have: (a) overhauled the existing travel policy and made significant revisions to it; (b) revised and updated the travel request form; and, (c) developed and implemented a travel review committee to scrutinize all out-of-state travel requests.
 - b. Overtime. Management worked closely with the Mayor to develop and issue an organization-wide "overtime directive" which requires that: (a) overtime be pre-approved; (b) departments maintain records of all overtime; and, (c) directors provide monthly notification to the Finance Director and Managing Director of all employees accruing eight or more hours of overtime in any week.
 - c. Technology. Consistently searching for ways to reduce cost while improving the delivery of services to our internal and external customers through technology. Ongoing projects include:
 - i. Maui's Automated Permitting and Planning System (MAPPS) - cross-departmental, enterprise-wide replacement project for the existing KIVA land use and permitting system. Includes enhancements to permit processing, review procedures, GIS and other segments of the organization.
 - ii. HR/Payroll System Replacement - an enterprise-wide replacement for the existing antiquated, non-intuitive, and inflexible system with an easy-to-use, intuitive, and flexible system that will meet the needs of the county well into the future.
 - iii. Computer Aided Dispatch/Records Management System (CAD/RMS) - replacement of an existing system that no longer meets the needs of the organization. This project involves all segments of public safety and aims to improve user's ability to perform day-to-day first responder related tasks.

Thank you for the opportunity to provide this information to your committee. If you have questions, do not hesitate to contact me at extension 7211.

Sincerely,

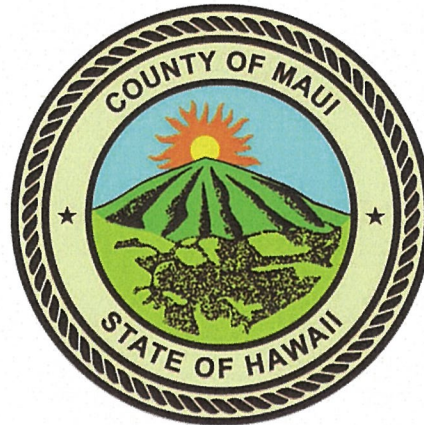
SANANDA K. BAZ
Managing Director

Enclosure

IT Pre-Budget Presentation, FY20

Information Technology Services Division

Excellence in IT Service Delivery





OBJECTIVE

Presentation on Information Technology Services Division

- Who are we?
- How are we doing?
- What are we planning to do?
- What does that mean for the FY2020 budget?

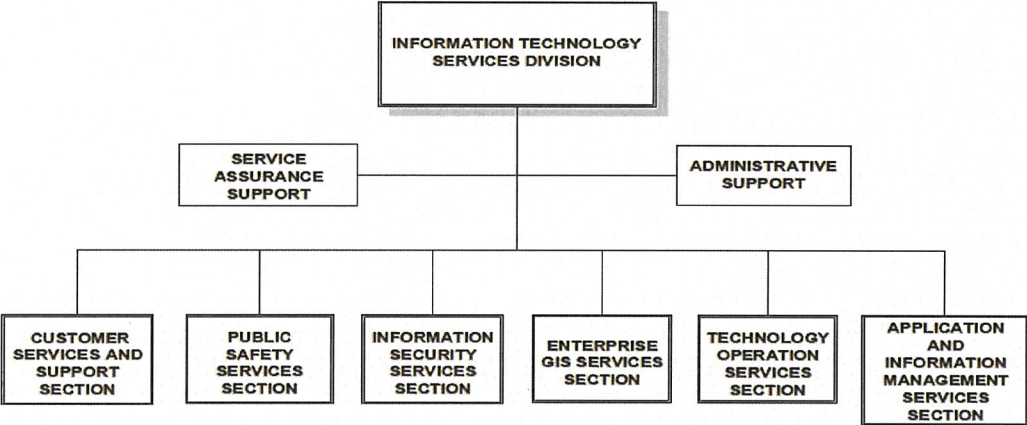


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- **IT Services Division Overview**
- IT Assessment Update
- IT Strategic Plan and Initiatives
- IT Plan Implementation Initiatives 2019-2020
- ITS Division Budget Observations



IT Services Division Overview





IT Services Division Overview

ITS Division Scope:

- **More than 40 Services**
- **Over 430 Enterprise Applications in 17 Departments**
- **2625 Workstations, connected to 314 Virtual Servers running on 25 Physical Servers in 3 Data Centers**
- **Over 250 Switches to create the County network on 3 Islands**
- **Over 750 printers**
- **7 Firewalls and 10 Specialty Appliances to provide Cyber Protection**
- **Supporting County Operations and Staff in over 70 Locations on 3 Islands**



IT Services Division Overview

ITS Division Size:

- **\$11M Budget: 1.8% of County Ops Budget (Industry Standard: 3.5%)**
- **48 FTE: 1.7% of County Workforce (Industry Standard: 3.6%)**
- **Salaries are 32% of IT Budget (Industry Standard: 46%)**
- **IT Spend per County FTE: \$4090 (Industry Standard: \$7495)**

ITS Division Workload:

- **Over 7500 Service Requests per Year (includes County-wide IT purchasing)**
- **Over 6100 Incidents per Year (things not working, alerts, forgot password, etc)**
- **More than 600 Changes per Year (upgrades, reconfigurations, etc)**
- **52 Projects in Progress or Pending.**



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IT Assessment Update

IT Score Progress Since the 2013 IT Strategy



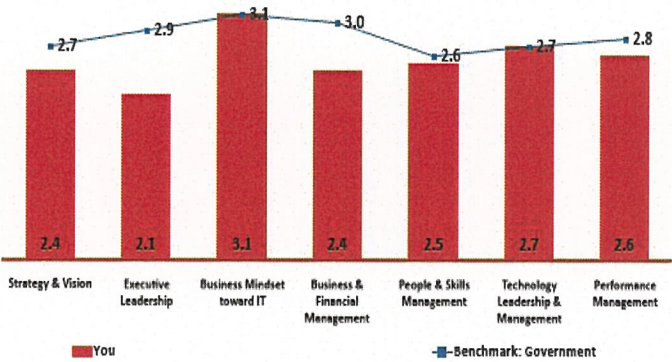
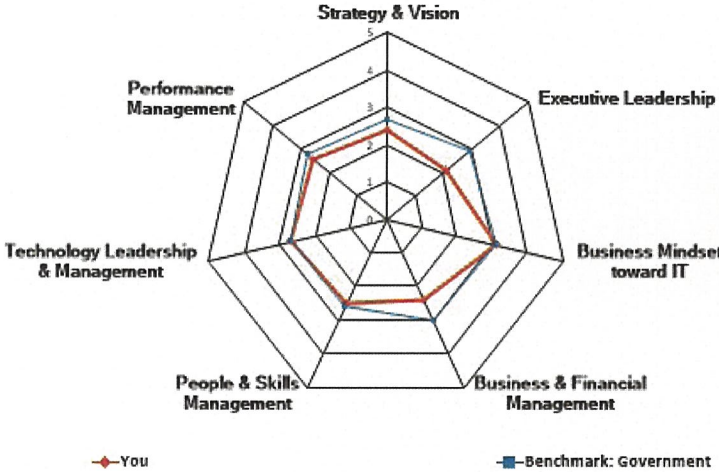
Gartner compared the County's current IT Maturity Score against the results from Gartner's 2013 assessment. County IT has made significant improvement in many areas related to processes and technologies since the 2013 IT strategic planning effort.

Category	2013 IT Score	2018 IT Score	Delta	Comments
Executive Leadership	2.5	2.1	(0.4) ↓	Increased demand has caused the CTO to often be too busy "keeping the lights on" to proactively engage business stakeholders and ensure future alignment with County strategic priorities.
People and Skills Management	2.4	2.5	0.1 ↑	ITSD has maintained (and in some areas grown) a team of application and hardware capable experts. In order to meet its objectives ITSD will need additional technical skills (e.g., active directory) to support a growing and more complex environment.
Strategy and Vision	2.0	2.4	0.4 ↑	A series of initiatives were adopted by the County as part of its 2013 IT Strategic Planning Effort. Progress against those initiatives has produced mixed results due to resource constraints and competing priorities.
Technology Leadership and Management	1.5	2.7	1.2 ↑	Technology leadership has dramatically improved customer service and reliability over the last 5 years, and customers are appreciative of the level of support they have been able to provide, despite known staffing constraints.
Business and Financial Management	2.0	2.4	0.4 ↑	A formal approach to prioritize and categorize investments leveraging best practice analysis tools and techniques has been introduced, though not always adhered to consistently. Additional formality and transparency around business cases is needed.
Performance Management	1.8	2.6	0.8 ↑	Performance management has been instituted and is primarily based on results such as Go-Live milestones or project completion milestones. Internal ITSD performance measures are limited.
Security and Risk Management	1.5	3.2	1.7 ↑	Maui ITSD has made significant progress in their Security and Risk Management posture with a number investments in both technology and personnel.
Infrastructure and Operations	1.5	1.8	0.3 ↑	Maui ITSD has made great strides in improving the infrastructure and server environment. Several hardware installations has created redundancy and minimized single points of failure across multiple data centers.
Application Delivery	2.0	1.6	(0.4) ↓	While there have been efforts to effectively deploy new applications and projects many challenges (e.g., delays, cost overruns) have arisen due to chronic staffing constraints and ineffective business relationship management.



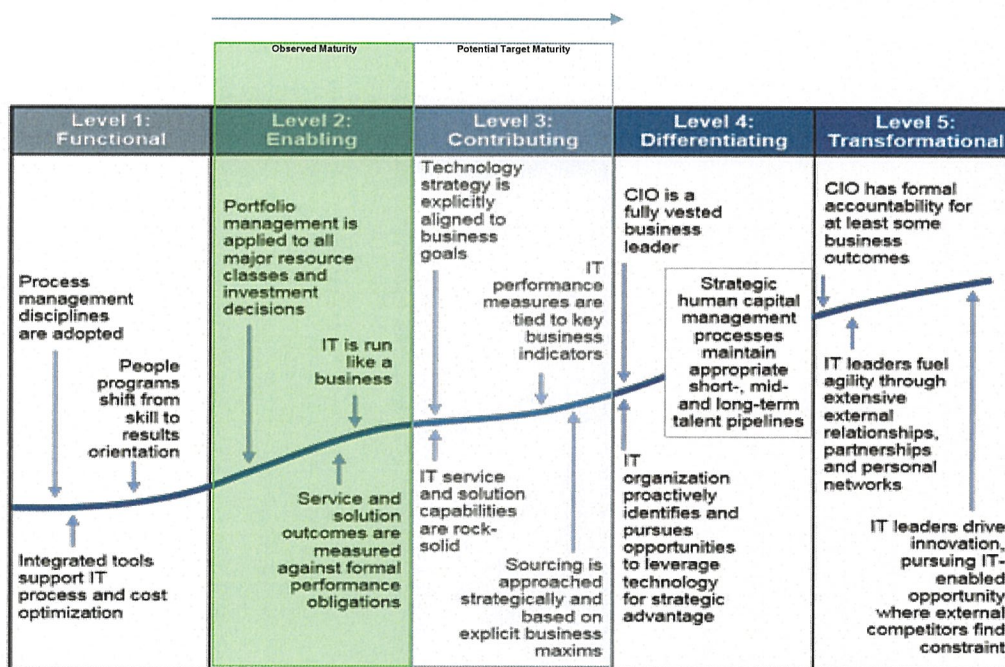
IT Score Assessment Update

Results Summary – Expanded View (2 of 2)



IT Assessment Update

Results Summary – Expanded View (1 of 2)



Gartner's IT Score maturity model describes Maui County's IT maturity across five progressive levels. Each level identifies maturity characteristics of an organization's technology capabilities.

Maui's IT Maturity is observed to be currently operating at Level 2 maturity (Enabling). The Executive View score is 2.5.

* Benchmark: Govt/PS/Ed – Less than 5,000 Employees



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IT Strategy Plan and Initiatives

VISION

The Information Technology Services Division will provide Outstanding IT Services in support of the County of Maui's goals and objectives. ITSD will work closely with its business partners to deliver services that enable the County of Maui to improve services and enhance its customer perception through consistent and timely identification, selection, implementation, and sustainment of appropriate technologies.

ITSD will achieve this goal guided by the principles of collaboration and transparency, stability and innovation, and efficient use of resources.

STRATEGIC IT PRIORITIES

Deliver Mature and Effective IT Services in Alignment with Organizational Initiatives



ITS management will continue maturing ITSD's capabilities as a customer and process-centric service provider. The focus will shift from building the internal process structure to ease of use and access for the customer.

Provide Operational Excellence



ITSD management will assure a reliable and secure IT Infrastructure through a robust and agile service delivery platform.

Develop and Organize Staff Focused on the Service Strategy



ITSD Management will engage a high-performing workforce to promote an effective IT service organization. ITSD will attract, train, support and retain an aligned team of IT professionals.

Increase Breadth and Transparency of a Sustainable Funding Model

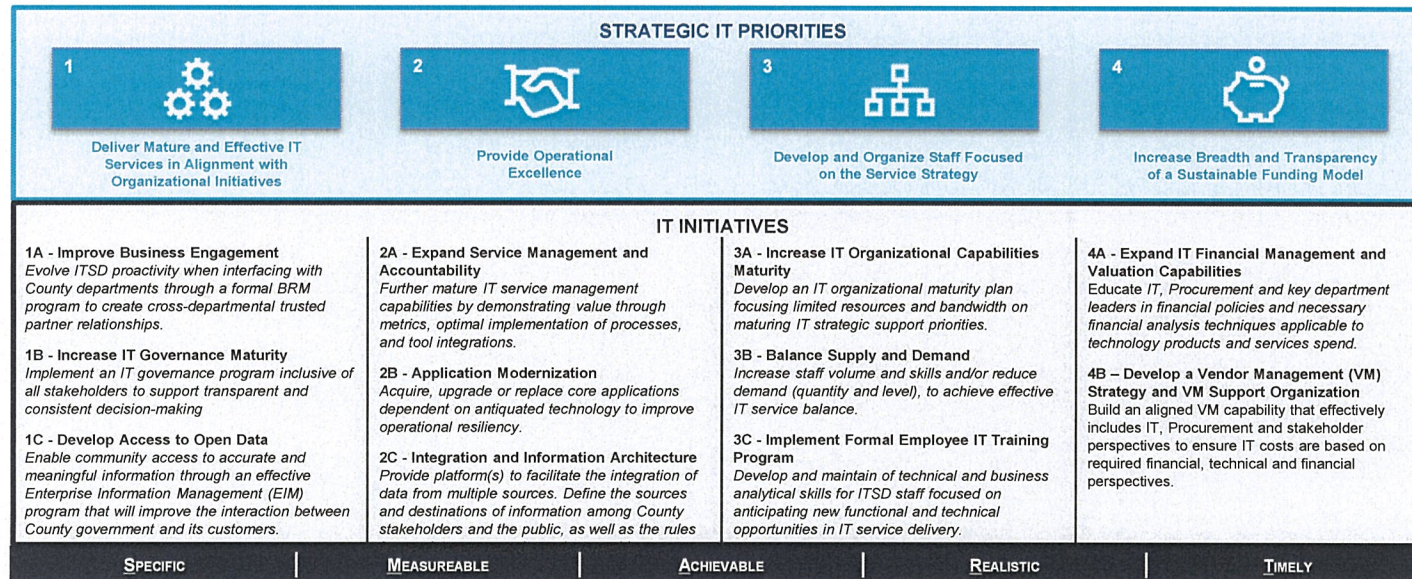


ITSD will achieve a stable and predictable funding model to meet expectations for IT advancement that will enable effective decision-making, reduce service constraints and increase opportunities for information access.



IT Strategy Plan and Initiatives

Maui ITSD strategic priorities are from the County's current IT strategy (2018-2021) and remain valid of critical importance to County leadership. Therefore they are applied as the foundation for the IT Strategic Plan Refresh and subsequent IT initiatives.

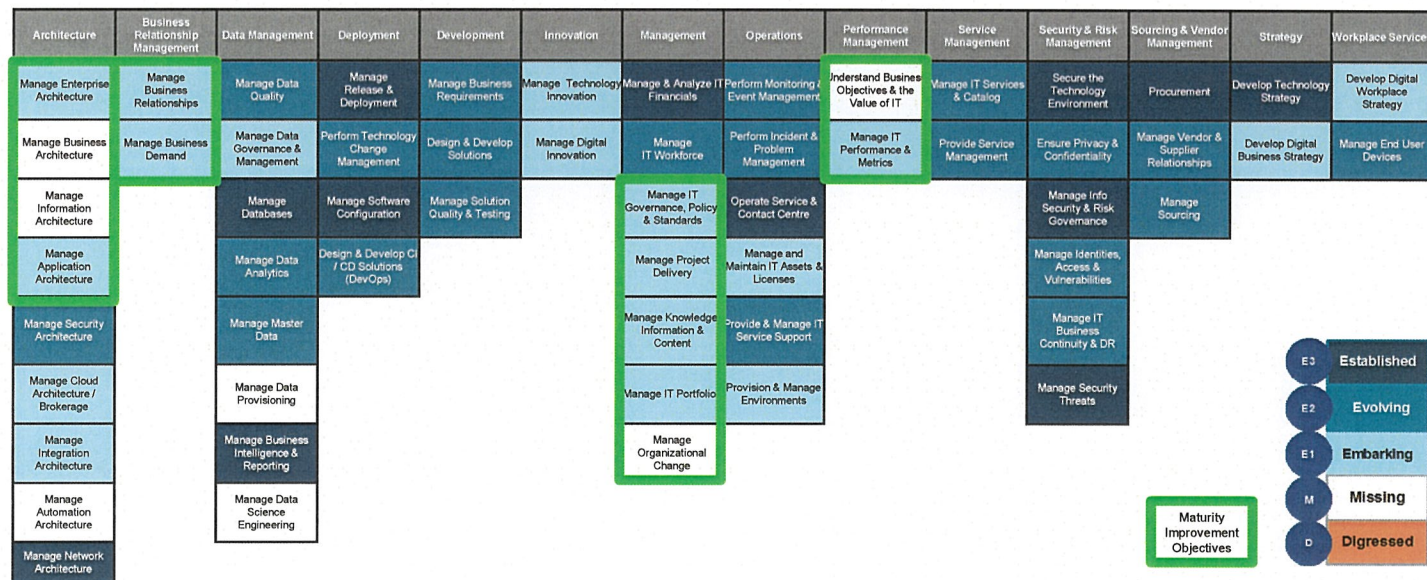




IT Services Division Strategy Overview

Recommended Target State County IT Organizational Capabilities Maturity

The County's target state IT Organizational Capabilities maturity is indicated below.





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IT Plan Implementation Initiatives 2019-2020

FIRST IT PRIORITY: DELIVER MATURE AND EFFECTIVE IT SERVICES IN ALIGNMENT WITH ORGANIZATIONAL INITIATIVES

INITIATIVE 1A: IMPROVE BUSINESS ENGAGEMENT

- Add BRM Support Staff
- Develop IT Service “Check-In” Program
- Create Framework of BRM
- Develop Departmental Cyber Liaison Program
- User-friendly Customer Portal for Service Requests

INITIATIVE 1B: BUILD IT GOVERNANCE FRAMEWORK TO GUIDE IT DECISION MAKING

- Organize Project Portfolio Management (PPM) Section
- Add BRM Support Staff
- Develop IT Service “Check-In” Program



IT Plan Implementation Initiatives 2019-2020

SECOND IT PRIORITY: PROVIDE OPERATIONAL EXCELLENCE

INITIATIVE 2A: EXPAND SERVICE MANAGEMENT AND ACCOUNTABILITY

- Adopt Formal IAM/PAM Policies and Procedures
- Meet Deployment Targets for Datacenter Assets
- Implement Project Portfolio Management Tool
- Evaluate Focus of Current Business Management Tool
- Improve Response time to Security Risks

INITIATIVE 2B: APPLICATION MODERNIZATION

- Complete Migration of Email to MS Exchange
- Complete Replacement of HR/Payroll Systems
- Continue Implementation of MAPPS
- Upgrade CAD and Records Management System for MPD
- Implement Electronic Signature/Approval System



IT Plan Implementation Initiatives 2019-2020

THIRD IT PRIORITY: DEVELOP AND ORGANIZE STAFF FOCUSED ON THE SERVICE STRATEGY

INITIATIVE 3A: INCREASE IT ORGANIZATIONAL CAPABILITIES MATURITY

- **Create Create Staff Capability Development Plan**
- **Evaluate ITSD Organizational Structure for Management Span**

INITIATIVE 3B: BALANCE SUPPLY AND DEMAND

- **Increase Staffing Levels**
- **Increase use of Managed Services for Efficiency**



IT Plan Implementation Initiatives 2019-2020

FOURTH IT PRIORITY: INCREASE BREADTH AND TRANSPARENCY OF A SUSTAINABLE FUNDING MODEL

INITIATIVE 4A: EXPAND IT FINANCIAL MANAGEMENT AND VALUATION CAPABILITIES

- Create an Enterprise Technology Revolving Fund
- Analyze IT Infrastructure Spending
- Reduce Direct Costs to Maui County for IT Initiatives



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ITS Division Budget Observations

Unencumbered Funds:

- FY17: \$320,571 -- 3.5% (Wages: \$270K)
- FY18: \$33,761 -- 0.4% (Wages: \$25K)
- FY19: Estimated <1%

Estimated Fixed and Discretionary Cost FY2020:

- Total ask: \$11,000,000 (No real change)
- Fixed Cost: 85% (Wages, Maintenance Contracts, Replacements, Rent)
- Discretionary: 15% (Training, Travel, Prof. Services, Supplies, New Hardware/Software)

Cost-saving Measures:

- At half of industry standard budget, everything we do is about cost-saving
- At half of industry standard staffing, everything we do is about efficiency

Thank you!

Jacob Verkerke
CTO, Maui County IT Services Division
Phone: (808) 270-7538
Email: jacob.verkerke@co.maui.hi.us

