

## **Appendix G**

### **Special Assignment on Municipal Information Technology Services for the Regionalization Advisory Commission**

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## **Part I: About Existing Local Government IT Services**

Local Government IT is an increasingly complex backbone service that supports local services. IT encompasses desktop computers and networks, software and hardware services and support, technology policies and procedures, data management and security, and municipal websites. IT supports core municipal finance functions such as the process of valuing property, tracking collections, monitoring receipts and expenditures, and producing financial and accounting reports. The effective and efficient deployment, maintenance and management of technology infrastructure, business systems and security solutions have grown increasingly complex and can require significant capital expenditure and technical skills and certifications; a cost of doing business that can pose challenges for many municipalities, particularly smaller communities. Municipal online bill payments are becoming more common and DLS requirements for online filing demonstrate the trend to more sophisticated IT as part of doing business and delivering services.

### *Consolidations within communities.*

Several communities looking at their IT services, such as the Town of Andover, are first looking at consolidating IT functions within their communities, such as consolidating municipal and school IT departments.

**Greenfield School and Government Business Office Consolidation:** To save money and to increase efficiency and communication, the City of Greenfield has recently merged the business offices of their city government and municipal school district. This has consolidated staffing and office space and will eventually consolidate software and IT systems.

### *Collaborations among communities.*

**Melrose Data Center Services proposal.** The City of Melrose is proposing to offer datacenter services (all services that are housed in a municipality's current "server room" or IT/MIS departments) to interested communities. All communities would be connected together via high-speed internet connections. Each community would have dedicated servers, storage and services. Savings would be realized in several ways. By operating one datacenter (as opposed to several), the partnering communities would leverage economies of scale to achieve savings on capital costs. A single datacenter will reduce associated power and cooling costs. Regional partnerships would also facilitate the financial burden of managing the capital costs over the lifecycle of all equipment. Additional savings could be realized through reduced staffing, licensing and support costs. This approach could be funded through an appropriation of funds from each participating community, which could be existing funds targeted for technology or related services. The City is in discussions with several other communities about how Melrose could be their provider for various IT services.

### *Regionalized Municipal IT Functions.*

Franklin Regional Council of Governments IT Tech Support. The FROG has secured IT support services from two IT consultants for its own tech support needs and for the tech support needs of 15 Franklin County communities. Support includes regular update and maintenance of computer systems; advice and assistance with hardware and software purchases; designing and implementing networks; and emergency tech support. The bulk contract has resulted in a discounted hourly rate but there is no cost or time commitment by the FRCOG or the participating communities. Communities pay only for the services they need.

Merrimack Valley Planning Commission GIS Service. Merrimack Valley Planning Commission has expanded its Geographic Information System program to be a municipal service center for 10 of its 15 member communities. By digitizing assessors' maps, collecting permit data, and overlaying other data coverages, MVPC can provide its communities with an enormous amount of useful and current data. Member towns can access the data and information via an Internet-based system so that the communities do not need to invest in costly software.

The Computer Software Consortium (CSC). The CSC consists of 75 communities that contribute modest assessments to fund appraisal and collection management software. The assessment funds basic maintenance, updates and enhancements to the appraisal and collections software. The initial programs were developed by IT consultants and DOR staff, with the ongoing maintenance and enhancement costs funded by consortium dues rather than state appropriation. The CSC is currently exploring whether to move to an internet based software.

Franklin Regional Council of Governments Accounting Program. When the FRCOG needed to upgrade its own accounting software, it negotiated a license agreement with the software vendor that towns with a population of under 2,000 and that used the FRCOG's Accounting Program, could have remote access to the FRCOG software. This has been extremely beneficial in many ways. It saves participating towns money. Instead of purchasing its own software, which can cost \$20,000-30,000, towns pay a one-time data conversion fee that has averaged approximately \$3,000 and an annual \$1,000 software and hardware maintenance and upgrade fee. It makes the FRCOG Accounting services more efficient and seamless because all towns use the same software, have the same or similar Charts of Accounts, and have similar policies and procedures. The software vendor also benefits. FRCOG staff provide all software technical support so there is no ongoing cost to the vendor and many towns have made the decision to also transition to and purchase the vendor's payroll module.

*Other developments in IT that can benefit municipal government.*

Massachusetts Broadband Institute (MBI). In 2008, Governor Patrick signed the Broadband Act that established the MBI. MBI was capitalized with \$40M of General Obligation Bonds. MBI's mission is to bring broadband service to the Massachusetts homes, businesses and government buildings that lack access. Unserved and underserved communities are particularly concentrated in Western Massachusetts, particularly Berkshire, Franklin and Hampshire Counties. MBI's approach to meeting this

goal is to make strategic and targeted public infrastructure investments to lower economic hurdles for private firms to provide broadband service.

MBI has a two-part plan currently in process: investment of existing state resources to expand broadband in western MA that includes careful coordination with the state Information Technology Division (ITD) and the Executive Office of Public Safety and Security (EOPSS) to ensure that multiple needs are met; and re-crafting an ARRA application for Round II consideration. The ARRA application is to build out an extensive fiber network running off of the recently-installed interstate 91 (I-91) backbone.

The MBI's Round II application proposes to build an 800+ mile fiber optic middle mile network in western MA. Included in the proposal are fiber drops to more than 1,000 community anchor locations. Community anchors include town halls, libraries, police stations, community colleges, health care centers, etc. The fiber drops will enable communities to access the MBI's middle mile network at favorable prices, which will dramatically improve municipal broadband connections.

State IT Consolidation. Executive Order 510 mandates the consolidation of information technology in the Commonwealth. The order requires both organizational and financial consolidation and data consolidation. It requires that the eight state secretariats each have a Chief Information Officer. The CIO reports directly to the Secretary and also has a formal relationship with ITD.

The ITD design construct is to utilize new and existing assets to create a statewide network, build a second data center in Springfield, connect the Chelsea and Springfield data centers to create a protected, redundant system (that will also be a national model for data centers of its type), and connect all state systems to the network. Current estimates indicate that operating costs of this system will reduce to \$70 million per year instead of \$112million currently spent per year by state agencies. Eventually a data warehouse system will be created.

The ITD plan will also allow municipalities and regional authorities to access the system. ITD surveyed all MA communities to gauge interest in the idea. 75 communities responded and all but one expressed keen interest. Providing municipal access to the system will be a tremendous asset to MA communities. It will certainly improve reliability and safety of their systems and will likely also reduce costs.

ITD is working closely with the Massachusetts Broadband Institute to ensure that the plans of MBI to bring broadband to all areas of western MA are complimentary and coordinated with the ITD design and vice versa. For instance, the Springfield Data Center project has begun and is expected to be on-line in 2012. ITD is working with MBI to ensure that their redundant network and system be designed to complement and help the MBI network. The MBI western MA network has already begun with the installation of fiber along the length of I-91.

*Statutory Authority to Regionalize.*

There are few statutes that apply to municipalities collaborating on municipal IT services. The inter-municipal agreement act (MGL Ch. 40, §4A) is one tool for regionalizing municipal services that could be applied to IT collaborations. The inter-municipal agreement allows communities the freedom to negotiate the terms of their agreement and the cost allocation method, and through a recent amendment, allows the selectmen to implement the agreement without town meeting approval. MGL Ch 71, §37M allows for the consolidation of school and municipal administrative functions, including IT services.

## **PART II: Recommendations on Regionalization of IT Services**

Coordinated hardware, software, software license, and Internet-based software purchase. Like the CSC model, coordinating software or software license purchase has great expansion potential. Regional hardware purchasing, while complex to establish, could produce significant cost-savings. There are many partnership models that can be pursued – host agency as lead; multiple towns working together; towns and school districts collaborating; or like the CSC model, the state could help establish a software program/license agreement that is available to all municipalities through the state procurement system.

Internet-based GIS, assessing, and permit tracking data sharing. Most small towns do not have GIS capability, digital parcel and assessing data, or permit tracking of building and other municipal permits. Replicating the MVPC GIS Data Center in other regions and expanding it to include inspection permit tracking would vastly improve the technological capabilities of assessors, planning boards, building inspectors, health agents and other municipal officials and boards and would make their work more coordinated and efficient.

Keep municipalities in mind as ITD/MBI/EOPSS plans develop. The coordinated efforts of MBI to bring broadband to all residents and businesses in MA, the ITD plans to create a more coordinated deliverance of IT services to state agencies, and the EOPSS plans to improve emergency communication delivery will dramatically improve access to data and broadband throughout MA. As the plans develop, state leaders should keep the needs of municipalities in mind and design their systems in a manner that makes municipal access to the statewide network allowed, affordable and easy. Allowing the municipalities to access the fiber network will ensure adequate broadband access for years to come and improve statewide reporting and data sharing.

Municipalities should keep in mind the IT developments underway at the State level. Approximately two years out, the state's second Data Center will be operational and state IT consolidated, including email and other services. In several years there will likely be opportunities allowing municipalities and regional organizations to benefit from the enhanced state systems, including availability of state IT services to municipalities at low cost. Providing municipal access to the system will be a tremendous asset to MA communities. It will certainly improve reliability and safety of their systems and will likely also reduce costs. ITD does not currently have a mechanism to charge a municipality for services. To

implement a model of ITD providing IT support or services to local governments, legislation would be needed to allow ITD to charge municipalities for such services.

Municipalities should consider opportunities for IT consolidation within their community's operations, such as consolidation of school and municipal IT. Coordinating IT internally (among municipal departments and/or between schools and municipalities) can benefit communities now and prepare them to better take advantage of future opportunities at the regional and state levels. As mentioned earlier, MGL Ch 71, §37M allows for the consolidation of school and municipal administrative functions, including IT services.

As municipalities look to manage the increasingly complex challenges of IT, they can benefit from resources currently available from the State, including sample contracts, standards and policies.

Expand Massachusetts Digital Summit with programs to benefit local officials. The Massachusetts Digital Summit, a free annual conference, includes seminars and free trainings that may be of interest to local officials. The next time this conference is presented, organizers should add a seminar specifically on municipal IT challenges and resources.

Collaborate on support services. Rather than having a dedicated support employee responsible for all helpdesk support services in each community, partnerships can be created where one support employee covers 2-3 (or more) communities. This could simplify delivery of services, increase efficiency and reduce labor costs.

As with some other local services, sharing staff, particularly among small communities can provide professional expertise for the desirable number of hours, often at more affordable cost.

IT Security and Risk Assessment. This issue has been addressed in the Municipal Finance Committee report to the Commission.

**Benefits** include: economies of scale, access to and increased affordability from sharing IT professionals, and equipment and security resources.

**Challenges and Barriers** include: concern about ability of other entities to meet security and operational needs.

### **PART III: Stakeholders engaged by subcommittee.**

Mayor Robert Dolan, City of Melrose

Alex Vispoli, Chair, Board of Selectmen, Town of Andover

Anne Margulies, Assistant Secretary for Information Technology & Chief Information Officer

Jason Snyder, Chief Technology officer, Massachusetts Information Technology Division

City of Greenfield

Massachusetts Broadband Institute

Merrimac Valley Planning Commission