

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

November 19, 2007

## **SUBJECT**

Information Technology (IT) Budget amendment for fiscal year 2007-2008

## **RECOMMENDATION**

Approve by resolution the addition of \$54,000 to the IT budget for fiscal year 2007-08, to cover the unbudgeted cost of a contract IT employee to staff Redwood City's IT support client, the City of East Palo Alto.

## **BACKGROUND**

In May, 2007, the City of East Palo Alto was notified by their provider of IT services that they would no longer be providing these services. Upon becoming aware of this, Redwood City's IT Division of Finance approached the City of East Palo Alto and negotiated a contract under which Redwood City's IT Division would provide services to East Palo Alto.

On July 17, 2007, the City of East Palo Alto's City Council approved the contract and authorized their City Manager to sign an IT services agreement with Redwood City for the period of September 1, 2007 through June 30, 2008 at Redwood City's current rate of \$123.69 per hour for approximately 171 hours per month.

On August 13, 2007, Redwood City Council approved, by motion, the authorization of the City Manager to sign the agreement, providing IT services, to East Palo Alto.

Redwood City's IT division is staffing the City of East Palo Alto with a contract employee for FY2007-08. The cost of the contract employee was not budgeted as there was no knowledge of this agreement prior to requesting, and the subsequent approval of, the FY2007-08 IT budget.

## **ALTERNATIVES**

The Council could elect not to amend the IT budget. This is not a recommended alternative as it would result in the IT budget not conforming to the Council approved action of Redwood City providing IT services to the City of East Palo Alto.

## **FISCAL IMPACT**

The total cost to staff East Palo for fiscal year 2007-2008 is \$120,000. Of the total cost, \$66,000 is available in the approved budget through realized staff savings due to vacancies. The expected revenue from this contract during the same time period is \$211,500. The cost to staff East Palo Alto will be covered through revenues generated by this agreement.



---

Tony Gelphman  
Information Technology Manager



---

Brian Ponty  
Financial Services Director



---

Ed Everett  
City Manager

**ATTACHMENTS**

None

**RELATED DOCUMENTS IN CITY CLERK'S OFFICE**

None

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROPRIATING SPECIFIED AMOUNTS FROM DESIGNATED UNAPPROPRIATED FUND BALANCES TO SPECIFIED APPROPRIATIONS, CANCELING CERTAIN APPROPRIATIONS, AND TRANSFERRING SPECIFIED AMOUNTS FROM DESIGNATED APPROPRIATIONS TO OTHER SPECIFIED APPROPRIATIONS**

WHEREAS, during the course of a fiscal year, the City Council may take actions that change or modify the City's existing and approved budgets; and

WHEREAS, the Redwood City Information Technology (IT) Division is requesting an appropriation to cover the unbudgeted cost of a contract IT employee to staff Redwood City's IT support client, the City of East Palo Alto; and

WHEREAS, sufficient resources are available within the unreserved fund balance in the respective funds or will be made available through grants or increased revenues that will be received this fiscal year to support the recommended appropriations.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF REDWOOD CITY AS FOLLOWS:**

1. The following stated amounts are hereby appropriated, transferred, or canceled from the stated appropriations or balances and are appropriated or transferred to Employee Costs, Supplies and Services, or Capital Allocations appropriations:

**SUMMARY OF RECOMMENDED BUDGET CHANGES BY FUND**

<u>From:</u>	<u>To Appropriation for:</u>	<u>Amount:</u>
Unanticipated Revenues	IT – Internal Service Fund	54,000

2. This Council does hereby establish the above as an appropriation revision for Fiscal Year 2007/08.

3. This resolution is effective immediately.

\* \* \*