



# Memorandum

**TO:** MAYOR REED

**FROM:** Councilmember Johnny Khamis

**SUBJECT: BUDGET DOCUMENT**

**DATE:** May 21, 2014

Approved

Date

05/21/14

## RECOMMENDATION

That the following recommendation be enacted.

### Proposal

Program/Project Title: Financial Transparency Initiative

Amount of City Funding Required: \$29,000

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

This proposal will provide the funds necessary to fund a one-year, pilot subscription to OpenGov.com's web-based government financial transparency platform. This pilot is consistent with the Strategic Support City Service Area's goal of deploying innovative solutions for enhanced productivity and civic transparency.

In the two years since OpenGov.com has launched, over 98 governments have subscribed to their platform to allow citizens access to complete and graphically represented data about their respective government's finances. Over 70 of these governments are in California, including Los Angeles, Riverside, Fresno, Palo Alto, and Mountain View. As the Capitol of Silicon Valley, a subscription to the OpenGov platform will not only demonstrate our commitment to transparency, but also to the use of the world-changing technology and tools that our community creates.

Making our City's financial data accessible through OpenGov will allow our residents to see exactly how the money flows through our organization. The interface allows users to view the data in whichever graphical format they prefer, and brings the data to life in a way that enables them to see where revenues derive from, how the funds are distributed, and the cost of services provided to the community.

OpenGov's web-based platform also empowers senior City executives to see trends, drill down to transaction-level details, and quickly compare actual spending to the budget. City analysts would spend less

time calculating variances and YTD numbers, and more time analyzing the data to solve problems and improve efficiencies. With current year and historical data readily available, staff would potentially save hundreds of hours in gathering, formatting, and reporting data. Currently there is a significant lag time between when financial data is generated, to the time it is made available for analysis. By the time City department heads receive data about their department, it is often stale. So instead of planning for the future, they are analyzing the distant past.

Another benefit of the system is that the City Auditor would no longer have to scrape data from PDFs in order to produce graphs and analyze data. Also, in other cities that are using the OpenGov platform, they have found that the time spent answering public data requests with regard to city finances has been greatly reduced.

The addition of OpenGov to our transparency tool kit will require minimal staff time for implementation, utilizing existing resources. Because there are no integrations or software installations, there is little to no time required from I.T. staff. It is estimated that one person from the Finance Department and one person from the Budget Office would spend approximately eight hours combined on implementation over the course of the typically thirty days it takes to make our data live and fully accessible. This time would be spent working with the OpenGov staff to determine which of our currently existing data sets would be used, and to review the website to ensure that the data is structured and presented in the format we desire. This would be a one time, minimal staff-time cost that each department could easily absorb within existing budgets.

The anticipated on-going time commitment from City Staff would be approximately 15 minutes per month for a person in the Finance Department or Budget Office to generate the required data files and transmit them to OpenGov to be incorporated into our data. If, after the 1-year pilot, the City determines this service should continue, the cost savings in efficiency gains alone should more than recover the \$29,000 annual fee. Considering it took ten OpenGov programmers one year to create their initial platform, and updates and improvements are included in the low annual subscription fee, this price is a bargain. They are presently working on adding features to the platform to allow for the upload of statistical data, annotations, and payroll data.

The Open Data Tool Set included in the I.T. Department's 2014-2015 Proposed Budget will take a fair amount of time to acquire and implement, and requires a full-time, dedicated employee, the Supervising Applications Analyst. Subscribing to OpenGov's web-based platform now can allow us to see our combined financial information now, and allow the new Analyst to focus on other areas of data integration and transparency that are outside the scope of OpenGov's services.

### **Funding Source**

Essential Services Reserve (\$2 million)

It is recommended that the Essential Services Reserve be reduced by \$29,000 for the 2014-2015 Budget Year and that this \$29,000 be added to the funds budgeted for the Open Data Initiative – Strategic Support CSA.

Other (Program/Project/Fund)

Department or Organization: Information Technology Department

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

NOTE: Cost estimates obtained directly from vendor, in conjunction with Jeremy Goldberg, Talent Bridge Lead, Office of Mayor Chuck Reed

Name: Vijay Sammeta, CIO

Phone number: 408-535-3566

E-mail address: vijay.sammeta@sanjoseca.gov

This change is:

One-time       Ongoing

The City Service Area to which the change best relates:

- Community and Economic Development Services
- Environmental and Utility Services
- Neighborhood Services
- Public Safety
- Strategic Support
- Transportation and Aviation Services