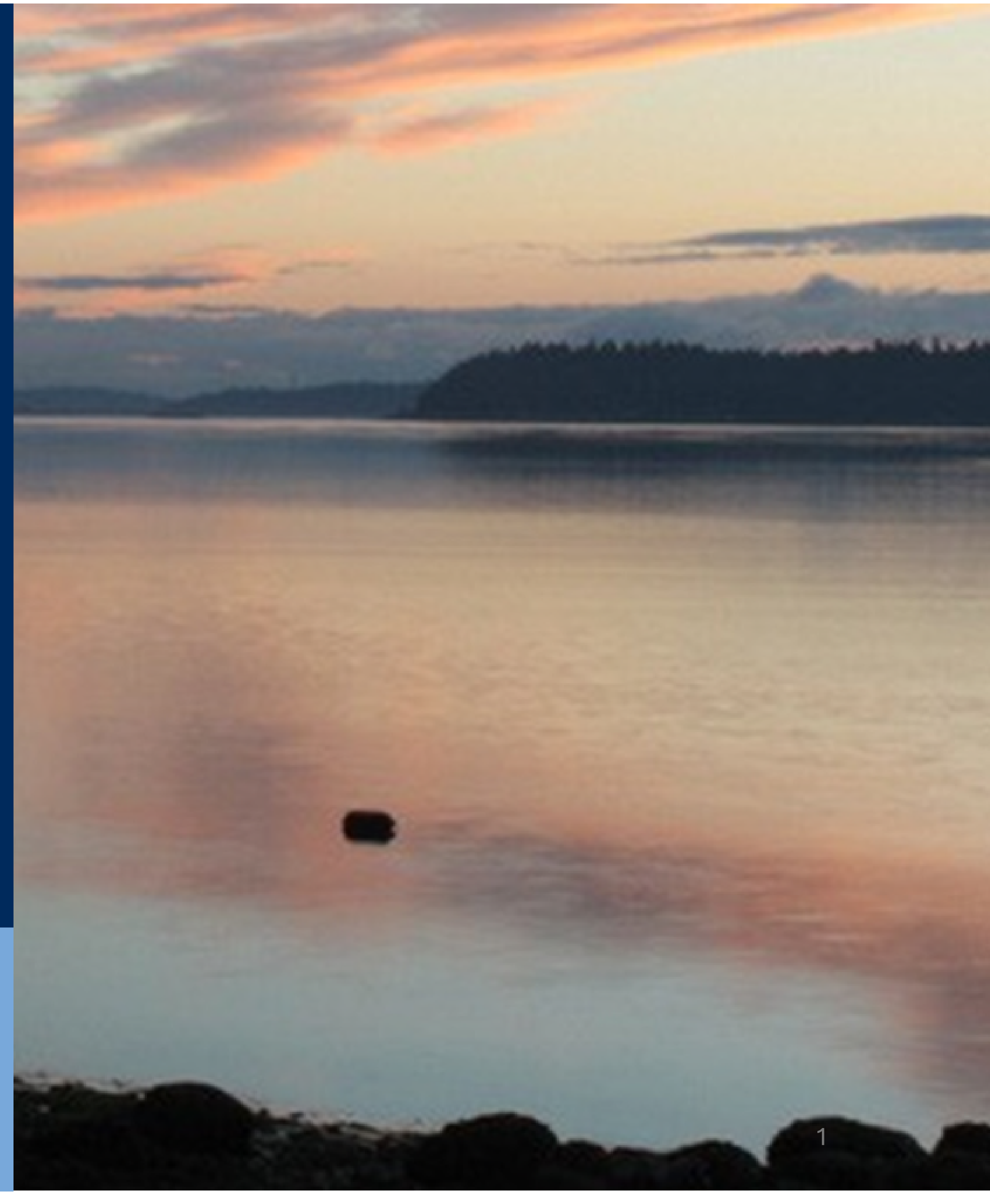
Information Services

2027 BUDGET PRESENTATION

Craig Adams, Information Servies Director

September 23, 2026 | 1:30 p.m. | Commissioner Chambers

KitsapCounty



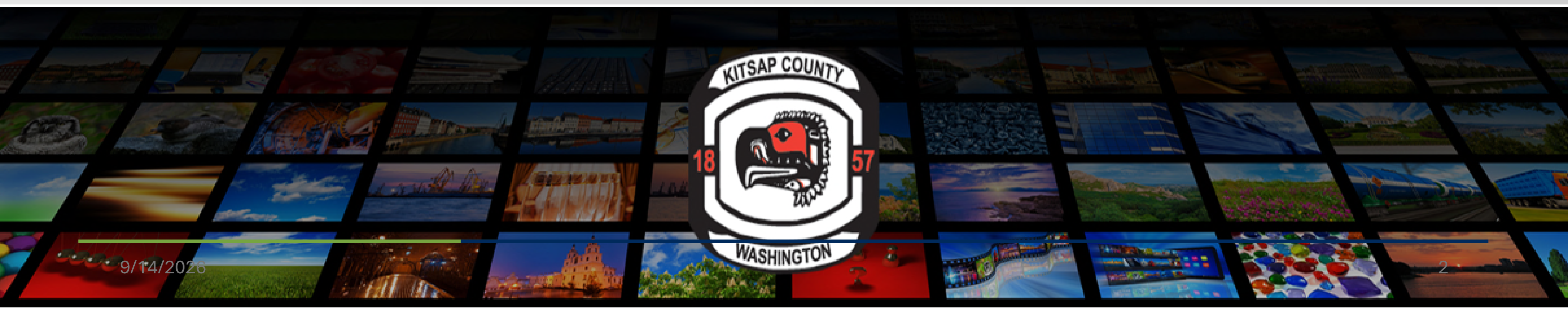
INFORMATION SERVICES

ABOUT US

MISSION

Information Services consists of four internal service fund divisions that operate under the Board of County Commissioners to provide County departments and elected offices with centralized technology, consulting, and communication services.

We use our technical knowledge, innovative solutions, Lean principals, project and communication skills to help the County be a leader in practical, cost-effective, secure, and reliable technology.



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Program Overview

APPLICATION SERVICES
Provides consulting, support, and upgrades for 8 major “enterprise” software applications

COMPUTER & NETWORK SUPPORT SERVICES
Supports and upgrades over 2300 technology infrastructure and devices

KITSAP1
County Call Center, centralized and optimized call handling and administration

PEAK/PMO
IS entry point for new technology and process improvement focusing on eliminating waste and improved quality

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PROGAM FINANCIALS - 2025

- In contrast to the general fund departments whose costs are largely salaries and benefits, the IS budget is 53% supplies and services and only 45% salaries and benefits.
- Software contract increases are growing annually around 8%.
- The largest portion of the IS budget, Technical Services, is directly related to department software/services and other county-wide application management.

	Technical Services	Application Services	Fleet	PEAK/PMO	Kitsap1	Projects	Total
Salaries	$ 2,055,752	$ 2,305,512	$ -	$ 574,089	$ 573,116	$ 240,453	$ 5,748,922
Supplies/Services	$ 5,248,003	$ 3,639	$ 257,507	$ 3,580	$ 1,125	$ 1,195,772	$ 6,709,626
Interfunds	$ 317,635	$ -	$ -	$ -	$ -	$ -	$ 317,635
Total Cost	$ 7,621,390	$ 2,309,151	$ 257,507	$ 577,668	$ 574,241	$ 1,436,224	$ 12,776,182
FTE Count	13.95	17	0	4	6.05	2	43.00

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LARGEST COST DRIVERS

1. **SOFTWARE CONTRACTS –** Current software solution providers (Software as a service, annual maintenance, licenses), New systems, Modernization, Additional staff resources(3% - 10% annually)

2. **UTILITIES CONTRACTS –** Network and telecommunications provider increases (3x 2025/2026)

3. **SALARIES & BENEFITS INCREASES –** Annual step increases and salary adjustments (3.5% annually)

4. **NEW PROJECT COSTS –** Adding new technologies, systems and innovation ($150K – 3M each multi-yr)

5. **CONSULTING –** Consulting needs have increased due to lack of staffing and new projects ($120-240/hr over past 5 years – 2x)

6. **INTERFUNDS –** Increases in interfunds and benefits cost reduces spending capacity (varies)

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FUND BALANCE TARGETS

- We have strategically spent down Information Services fund balances over the prior few years to fund key projects such as body cams and EIS upgrades, but now fund balance levels are critically low.

- Fund balance in Information Services provides a safety net for pre-funding large scale projects, protection against catastrophic failures, cash flow, and more.

- An updated fund balance policy is in progress, but <u>a healthy fund balance level would be closer to $2,500,000</u> – or 3 months operating expenditures.

Fund	Ledger Account	2021	2022	2023	2024	2025
FD00516 Information Services	Revenues	$ (10,569,921)	$ (10,114,113)	$ (10,778,397)	$ (11,009,515)	$ (11,500,112)
	Expenditures	$ 9,556,026	$ 10,636,112	$ 12,610,219	$ 11,748,187	$ 12,776,182
	Ending Fund Balance	$ 5,896,266	$ 5,374,266	$ 3,542,444	$ 2,803,772	$ 1,527,702

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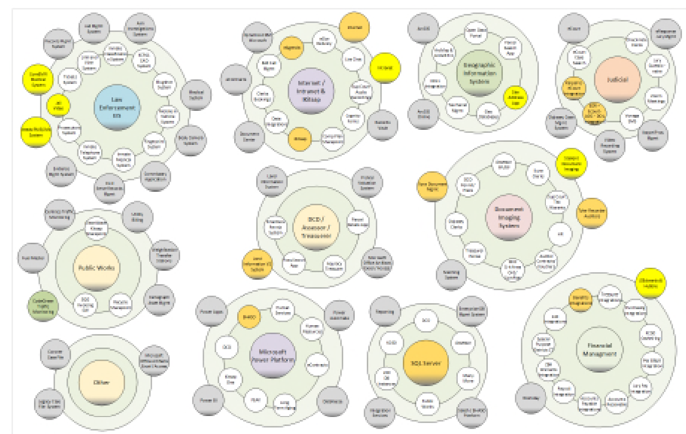
RATE SETTING METHODOLOGY

Information Services sets interfund rates separately for each of their programs.

They utilize platform usages, hardware counts, three-year averages of billable hours, and specific project costs to spread costs to all programs equitably.

Costs have been shifting to outside funds in recent years due in part to general fund budget management practices.



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BUDGET SUMMARY			
Target	**2026 Budget**	**2027 Proposed**	**Change in Total Budget**
$450,000	$12,014,128	$12,799,472	$785,344

Status quo impact of wages, medical benefits, and other inflation of 43 positions	$ 546,587
Contract services budget line items & interfund costs	$ 688,757
$200K SHI Microsoft, $133K Website, $60K firewall, $50K EIS, $20K Axon, $20K Agenda.Net, $206K various smaller contracts and interfund changes	
Telco contract renegotiated – TEAMS calling	($) 450,000

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IMPACT SUMMARY

IMPACTS

- Current fund balance challenges
- Staffing levels to meet business needs and efficiencies
- Vendor depth of staff for knowledge transfer and assessments
- Agile/composable to meet expected and unexpected business change as well as disruptive technologies
- Well trained for emergency scenarios and new technologies impacting end users
- Outsourced forecasting future expense increases or impacts
- Avoiding technology debt and complexity

QUESTIONS?

THANK YOU!

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