



<b>TRANSMITTAL MEMORANDUM</b>
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TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: July 28, 2022

RE: **Information Regarding the Functions of the City Information Technology Department and the Ketchikan Public Utilities Telecommunications Division**

At the May 19, 2022 City Council meeting, Councilmember Zenge requested information regarding the Information Technology Department and the Ketchikan Public Utilities Telecommunications Division and why KPU Telecommunications is not the single division performing the necessary functions for General Government and KPU.

At my direction, Acting Information Technology Director Brock Hecla and Acting KPU Telecommunications Division Manager Dan Lindgren jointly prepared the attached informational memorandum. The memorandum describes the geneses of both departments as well as their functions and responsibilities as they exist today within General Government and Ketchikan Public Utilities. As stated, by and large both departments perform separate and distinct functions requiring both similar and different skill sets to serve both General Government and KPU. While there are opportunities for collaboration and coordination, which staff are currently undertaking, from my perspective consolidating the respective duties under KPU Telecommunications would prove a difficult and lengthy process and may have the unintended consequences of creating more expenses to General Government and KPU by way of increased interdepartmental transfers and similar or elevated staffing levels.

Should the City Council wish to explore any efficiencies achieved in consolidating the Information Technology Department and the KPU Telecommunications Division, I would recommend this be examined at a future date once leadership level staffing is in place and an outside consultant has been secured to first evaluate the situation and identify the benefits of such a merger and then, if deemed appropriate, manage the transition and consolidation.

Should Councilmembers have questions and/or concerns regarding the joint report of the Acting Information Technology Director and Acting KPU Telecommunications Division Manager, staff will attempt to respond accordingly.

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**Memorandum**

**To:** Lacey Simpson, Acting City Manager and KPU General Manager

**From:** Dan Lindgren, Acting KPU Telecommunications Division Manager  
Brock Hecla, Acting Information Technology Director

**Date:** July 22, 2022

**Subject:** **Response to Councilmember Zenge's Question about why KPU doesn't oversee the Information Technology Department**

The purpose of this memorandum is to respond to Councilmember Zenge's question about why KPU Telecommunications (KPU Tel) does not oversee the City Information Technology Department.

**Background:**

At the City Council meeting on May 19, 2022 Councilmember Zenge asked why KPU Tel doesn't provide for the information technology needs of the City and also if there might be some savings by integrating the two departments.

The City of Ketchikan provides many administrative and technical services to both the City departments and KPU Tel such as Finance, Human Resources, Administrative, and Information Technology among others. The cost of these combined services is allocated to the City Departments and KPU departments. It certainly makes sense from an efficiency perspective to share these services.

Since 1974 when the first computer system, an IBM System 3 was purchased by the City of Ketchikan, City IT, which was originally a division of Finance called Data Processing, has provided support for the technical needs of the City. City IT staff has provided custom programming, data storage, long term data archiving, custom report writing, technical data analysis, process automation, physical hardware support, software support, equipment lifecycle planning and ongoing maintenance of complex servers and software systems. As technology has evolved to touch all departments, City IT has adapted to operational challenges as required and added capabilities that had not previously existed within the city. City IT continues through careful

adoption and implementation of new technology and infrastructure to meet the ever-changing needs of our city. From the beginnings in 1974 supporting one computer to today supporting a multitude of business devices including 260 workstations, 90 laptops, 80 servers, and 100 printers, City IT has met the operational needs of the City with the goal of providing the best value possible to all departments.

Prior to the year 2000, KPU Telecommunications was predominantly a plain old telephone service provider (POTS). At that point in time, KPU Tel did not have the sophisticated computer systems that are required for today's modern Internet Protocol (IP) based network and services. KPU Tel relied on the City IT Department to keep employees connected to computer and software systems, email, etc.

From a historical perspective, it was logical for the City IT Department to provide services to all City and KPU departments.

Over the last 20 years KPU Tel has moved from POTS to PANS (pretty awesome new stuff) such as Fiber to the home, Internet, TV, hosted (cloud) services, data center services, cameras, WiFi, etc. Councilmember Zenge is certainly correct in recognizing that today's KPU Tel is the technology leader in the community. KPU Tel is focused on continuing this tradition and provide cutting edge, cost effective but profitable services to our customers.

#### **Differences between City IT and KPU Tel:**

From the historical perspective above, it is clear why the Information Technology Department is within the City's administrative services umbrella.

There are functions that are similar between City IT as an internal service provider and KPU Tel as an external service provider, but there are also some differentiations as outlined below.

1. Both teams utilize Systems Administrators/Engineers, but KPU systems are predominantly Unix based operating systems whereas City IT Servers and workstations are predominantly Windows based. The employee skill sets required to provide support are not easily interchangeable.
2. Both teams manage datacenters utilizing modern virtualization platforms. KPU utilizes a system based on VMware while City IT utilizes a system built on the Microsoft Hyper-V platform. These are incompatible and the skill sets to manage them do not entirely overlap.
3. KPU's datacenter is utilized for its internal systems which support being an Internet service provider and television broadcaster. It also provides opportunities for selling competitive rack space, hosted virtual machines, and other datacenter services for customers. City IT's facility is focused on providing cost effective internal facing services and maximizing the use of these resources making them available for all departments.
4. KPU Tel utilizes carrier grade systems which have higher costs than enterprise level systems which could increase costs on hardware purchases.
5. Both departments provide email services, City IT through internally hosted Microsoft Exchange servers and KPU through an offsite cloud hosted email platform. This service is also resold to customers.
6. Both departments provide technical support services, but KPU Tel does not support end user workstations, printers, copiers, scanners, fax equipment, first responder apparatus workstations and vehicle docking stations or building HVAC control system computers, while City IT does.
7. City IT provides custom programming and report services essential for departments such as Finance, KPU Electric, Human Resources, KPU Telephone, KPU Water, City Clerk, Customer Service, Police and Fire.
8. City IT supports the IBM AS400 platform utilized for KPU Tel's CommSoft billing system. They also provide programming and internal application hosting on the same AS400

platform for departments including KPU Electric, KPU Water, KPU Telephone, Finance, Human Resources, Ports and Harbors and Police. This system is being phased out for all non KPU Tel departments in favor of more modern and supportable platforms. In the near future once migration is complete, KPU Tel will need to evaluate ongoing support options as City IT is looking to handover operational support and control to KPU Tel.

9. City IT supports the Public Safety Answering Point (PSAP) system for the City as well as mobile communications for public safety. They maintain the local E911 database and act as 'remote hands' when required for emergency equipment vendors to minimize downtime for departments.
10. City IT staff are required to pass state and federal criminal background checks which include finger and palm printing. This allows access to work on state criminal justice information system connections and terminals at the Police Department. Biannual Criminal Justice Information Security training is also required.
11. City IT evaluates various business hardware and assists all departments by providing recommendations relating to budget planning. City IT endeavors to ensure that the lifecycle of equipment is reasonable and provides a balance of reliability and performance while maintaining effective use of available funds.
12. KPU Tel being an Internet Service Provider has sophisticated carrier grade cybersecurity intrusion detection and prevention systems at its disposal. City IT as a customer of KPU Tel has expressed interest in utilizing this platform. Co-operative discussions for planning this deployment in a financially viable manner and budgeting for appropriate funding are ongoing between our departments.
13. KPU Tel employees and City IT employees are different IBEW bargaining units.
14. City IT provides its services to all City and KPU departments without charge other than that required for equipment and software. KPU Tel provides its services to City departments under contract as well as to those outside of the City. City IT is not for profit while KPU Tel is.

**Summary:**

The main purpose of this memorandum is to inform the City Council about the key differences between the departments. Detailed analysis would need to be performed to determine if any meaningful savings would accrue by integrating City IT services within KPU Tel's existing infrastructure. Operational expenditures for departments could even increase due to the nature of KPU Tel being a for profit entity and the level of services desired. We do believe, however, that ongoing cooperation between KPU Tel and City IT is paramount and will allow departments to benefit from services offered by KPU Tel. City IT has a committed to providing the best services possible and many of these services can potentially be found right here in Ketchikan with our KPU Tel.

**Award of Large Water System Operator of the Year – David Johnston, and George Fuller Award – John Kleinegger**

Acting General Manager Simpson provided the Council with a memorandum from Assistant Water Division Manager Seth Brakke, that two of Ketchikan's Water Division employees have recently received top honors for their work from the Alaska Water and Wastewater Management Association. She reported David Johnston, Water Division Foreman, was named the recipient of the Large Water System Operator of the Year, and John Kleinegger, Water Division Manager, was named the recipient of the George Fuller Award for Distinguished Service in the Water Industry.

**KPU Telecommunications Division – National First Place Awards for Local TV Programming**

Acting General Manager Simpson provided the Council with a memorandum from KPU Sales, Market & Customer Service Division Manager Kim Simpson that KPUTV was awarded first place for Overall Excellence from Alliance for Community Media/Hometown Media awards for 2021. She expressed her appreciation to all employees of the Telecommunications and Sales, Marketing & Customer Service Division that were involved in the undertakings that resulted in KPU receiving such prestigious recognitions.

**Notice of Retirement – Telecommunications Division Manager**

Acting General Manager Simpson attached for Council review a memorandum from Telecommunications Division Manager Ed Cushing advising of his intent to retire effective August 22, 2022. She stated this will be a tremendous loss for the Telecommunications Division, Ketchikan Public Utilities and the community. She indicated he is an incredibly valued member of the City's leadership team and express her appreciation to Mr. Cushing for his years of service to Ketchikan Public Utilities. She wished him and his family all the best in their next adventures. She informed the General Manager's office will soon begin recruiting for the Telecommunications Division Manager position and will apprise the Council of these efforts.

**CITY CLERK'S FILE** – None

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS**

Councilmember Zenge asked why KPU doesn't oversee the information technology department since they handle many of those functions and if that can be worked out. She said there might be some savings by merging the two departments.

Councilmember Mahtani said a lot of old buildings, homes and apartments are catching fire, and would like to see the fire marshal's inspections of these old buildings and residences to see if they need to be brought up to code, or if they have been grandfathered in, have the grandfather clause removed.

Councilmember Kistler asked for a quarterly update of number of opioid deaths in the community.

Councilmember Bradberry asked for information regarding steps taken by the police after a hawking complaint.