ECFSA Finance Committee
Buffalo Library
May 5, 2009

Present: Chairman Goodell, Secretary Stanley J. Keysa, Director John Johnson, Director Kenneth Kruly,

Chairman Goodell: "Good afternoon, I would like to welcome you to a meeting of the ECFSA Finance Committee meeting. We will go over a few efficiency grants that were submitted and decide if we will recommend them to the Board for approval or not at the meeting that immediately follows this."

First is the matter of approving the minutes from our last meeting.

Director Kruly moves and Director Johnson seconds

Chairman Goodell: "We have had two efficiency grants withdrawn for further study, those being the child drop off center and the automobiles so we will move right away into thin client technology. Now remember only thin clients can participate in this! Come on up and show us what you've got."

Cheryl Mekarski: "Good Afternoon, my name is Cheryl Mekarski, I am the Director of Central Data Processing for Erie County. I am here to introduce one of my staff members Mike Schenkle who is in charge of our Enterprise Storage and we have a consultant who has been working with us Greg Turner and Mr. Turner will be talking about what is in this proposal."

Gregory Turner: "Thank you, Gregory Turner, consultant to the County Division of Information and Support Services or Strategic Initiatives as well as the SAP; accounting, payroll, HR and financial management system. We have been reviewing a number of strategic initiatives for Erie County with respect to how we use technology and how to achieve a better service both from the customer perspective but obviously from but also to drive operational efficiencies, true cost savings as well as to protect and enhance the value of our assets. So there are a number of strategic initiatives that have been looked at. One of the most promising of these strategic initiatives is thin client technology. Thin Client technology is really the idea of instead of having stand alone personal computers with large dual processors, storage, a lot of memory and so forth, A lot of stand alone software that needs to be installed on the device that instead we provide basically an appliance that is smaller then a telephone docking stations and would allow for you to plug in a monitor, a keyboard and a mouse and receive all of the software, all of the memory, all of the application processing all of the storage from the servers that are being operated by the Division of Information and Support Service. So all of the County

operations and by the way there are over 200 business applications and public safety applications that are managed by DISS for all of Erie County, for all the agencies and other elected officials. The thin client represents, in simple mathematics, a total reduction in scale and I do have a couple of posters that I would like to walk through if that is all right with you."

"This is a picture of an ice berg that represents the current environment in Erie County with respect to our IT costs and services. The tip of the ice berg, the part that you see floating above the water is a representation of the hardware costs; the PC, the servers, the hard drives that the county has to procure for all of these 200+ business applications."

"Below the water line is where the iceberg, as you know, is the most dangerous and the most extensive. That is where our software costs, software development cost, software maintenance costs as well as support costs are hidden in any organization and this is true of any IT operation whether it is private or public sector. So the iceberg is above the water to the very tip at the bottom represents the total cost of operation of the total cost of ownership is another way to put it. What we have today can be characterized in technology terms as a fat client which I have already described as stand alone pc with all of its own operating system, its own hardware, memory and so forth. Our current environment does not make extensive use of what we call virtualization. That is having the ability to create logical representations of servers or computers having a variety of physical devises. We may only need three physical devices to logical represent 10 – 15 computers. This is called virtualization. Today or in the past the County would procure a server for every application; so it was a one to one application."

"The last piece of our current operation is application consolidation. We are not sure but believe that a good substantial component of the current suite that is present in Erie County, the over 200+ business applications can be consolidated. We are not sure what the total outcome number is but it would be a much more manageable number probably in the 30 – 50 range versus 200+. In addition to the 200+ applications which are pure business applications, we have over 200 programs related to development tools and utilities that are used by all the departments. These too can be consolidated once we achieve some efficiencies and standards within our environment."

"Thin client doesn't eliminate the ice berg. You are still going to have your cost structures in the IT world bases on hardware, software and support costs but thin client plus server virtualization plus an effort to reduce a number of application and consolidate across business areas, we believe will have dramatic scaling effect. This could be as high as a 50%

scaling effect. This is the goal that we are trying to achieve in terms of a strategic vision and I wanted to present that and the DISS management wanted to present that to you today. Today in terms of a cost efficiency stand point and an efficiency grant, we are only really looking at the tip of the ice berg and that is the thin client aspect and trying to achieve a reduction in some of our operating costs and capital costs with the acquisition of new hardware."

Chairman Goodell: "Anyone else have something to present? Questions?"

Director Johnson: "In the presentation you mentioned early on that is was primarily driven on how you use technology in Erie County government. I go back a few years with this control board and I can recall a number of questions from the board or pleads from the board asking County officials to take a good, hard, strong look at what the overall technology needs were and were promised reports but we keep getting piecemeal requests. In view of that, two questions come up. This is primarily client driven? The piece that you presented to us today?"

Gregory Turner: "This is client in terms of what we call "Client" from a computer standpoint as well as the "client" or "customer;" it's both with respect to how we address a PC. A PC is known as a client but we also and this is directed towards our clients, our end users are referred to as clients.

Director Johnson: "Internal or external customer?"

Gregory Turner: "We have all types; both internal and external. We serve other agencies of other elected officials. We serve towns and villages and police departments. We serve both internal staff of the County Executive as well as other divisions and departments of Erie County."

Director Johnson: "How much of the current initiatives that you have underway are state mandated?"

Michael Schenkle: "My name is Michael Schenkle, I am a technology implementation specialist. If over Social Services represents 605 of what we do and that is a pretty good approximation and if over half of what they do is state mandated then you can say a third. That is very approximate math and I apologize for that."

Director Johnson: "You haven't answered then. What is the level of participation financially from the State that you can expect with this initiative?"

Cheryl Mekarski: "There are state employees but the county pays them. They use another system and make use of other systems those not completely state people."

Director Johnson:	"Where I am going here and how it is linked to Erie County the Office of Temporary Disability and the Office of Family Service they all have requests to update their data technology. You are trying to bring those together. What is the State given you for this support?"
Cheryl Mekarski:	"It's difficult to say, Social Services has some people that work purely for the state and use their own network with in the state with in the Rath Building. They have state e-mail address and although they are completely state except the county pays them and they are county employees but then there are some Social Service employees who use our financial system, imaging system. I don't know what portion of those expenses, those non completely state people will be reimbursed with. I don't have that number of hand but I can find that out for you?"
Director Johnson:	"Where I am going with in this line of questioning is you speak of the world of social services as it relates to state government and how it is linked to Erie County. It makes me think of two agencies; Office of Temporary Disability Assistance at the state level and the Office of Child and Family Services. They all have requests to units of local government to update their technology. Just about every technology update requires s different mainframe. You are trying to bring those together and what I am asking is what is it that the State is giving you financially to support this?"
Cheryl Mekarski:	"The states have its own systems that belong to the state but what we support on top of that are other kinds of systems. I don't know exactly what percentage of the State pays us back for that. I know we do charge through interdepartmental billing; we charge the DISS services to the Social Services staff. I know what we charge but I don't know what the State reimburses from what we charge them."
Director Johnson:	"What other departments in Erie County would be participants in this initiative?"
Cheryl Mekarski:	"All departments."
Director Johnson:	"Could you give me a few as examples?"
Cheryl Mekarski:	"The purpose of thin client is somebody has kind of the same programs that other people use and don't need their own PC. Any one using the financial system which is SAP, Senior Services, Mental Health; A lot of those people use only Microsoft word, excel and then also the financial systems. So it depends upon how complicated the user need to be within that department but we will be addressing al departments."
Gregory Turner:	"We estimate that about 80% of the PC's deployed in the County would be replaced by thin clients."

Cheryl Mekarski:	"So it's not so much the user but what they are doing within that department."
Director Johnson:	"Is there currently any collaboration going on by and between the department of data processing and all those other department that should be participating in this project?"
Cheryl Mekarski:	"Yes."
Director Johnson:	"Have you determined all of the technology needs thus far?"
Gregory Turner:	"No because there are future needs in technology and it is a dynamic business operation for Erie County. Those needs are always changing and need to be evaluated but from a strategic situation and were we are today we have constantly reevaluated and evaluated what we are doing; the direction we are going in and established an end user oversight committee in which we have selected/invited participants from every department, from different level in those departments to provide their input on what we are doing and what we can do or stop and things that we should be looking for the future. So it is a full participation."
Cheryl Mekarski:	"Our department does do the approvals for technology purchases; both hardware and soft ware. So it will come across my desk. The other thing is that everyone must contact us before they start a major project. We have very nice relationships with al of the departments. If someone has a major project that they are ready or thinking about getting started with they will come to us and we will work with them."
Director Johnson:	"What is your ultimate goal here?"
Cheryl Mekarski:	"Our ultimate goal is to save money. It is to provide the same level of service that they have, if not better but cheaper."
Director Kruly:	"I find the proposal kind of intriguing. It sounds like back to the future, it sounds like the old main frames with the dummy terminals. Is that a fair comparison?"
Michael Schenkle:	"Absolutely. That is a very fair comparison. The change is that as software changed, it drove people away from mainframe technology but as businesses needs stayed the same the efficiency of central processing remained and technology has finally caught up with peoples software needs so that we can host those services centrally, deliver them to these thin devices and reduce operating costs. So you are absolutely right."

Director Kruly:	"This is a procedural question: Let's say I am working in the Rath Building and I am saving a Word or Excel document that is going into the system storage and is not being saved on my machine. I can think of a number of departments like the County Attorney or Budget where they may not want documents stored in a collective system. What are you going to do about something like that?"
Michael Schenkle	"We currently use a number of auditing technologies that keep taps on what goes where and who has access to what. We work with the comptroller's office closely to make sure our controls are similar to the controls used in public sector organizations. I can throw out jargon but it probably won't help that situation. We do currently provide central storage for the District Attorney, the County Attorney as well as the Health Department and Budget. There are no complaints."
Gregory Turner:	"In fact, one of the things we did especially in the budget offices by having the security access of the user profile defined and protected the Budget Office is able to store in a centrally located area and is going to continue to use and enhance the SAP application in that budgeting process. So from a total standpoint, the difference between the mainframe base of the old was simply that it didn't have as many powerful tools in terms of customization to the user and the custom user access and profiles. That information is maintained in our systems and we can create virtually the same environment that you have with a fat client with a thin client technology just through your log in credentials, so that is really the future of that."
Cheryl Mekarski:	"One more note on that in making sure that the budget can keep their information private. We just went through our financial audit with Deloitte and Touché, and part of what they work on is to make sure that no one has access to someone else's spreadsheet. To corrupt that data or change the data so it doesn't get into SAP. So they went and raided our security and had us do some tests that we passed well with. Stating that there are lines of divide so that other departments can't go in and look at other departments."
Chairman Goodell:	"I think between Mr. Johnson and Mr. Kruly, I think most of my questions have been asked, except a very basic one. Over the last couple of years we have seen a number of these efficiency grant requests from you and each time we have asked for a long term IT plan which I think is a long term plan from the operating departments as to what they want in terms of IT. I get a feeling here that this is some of the others that we have seen in being more top down then bottom up. I hate to put a stop to what appears to be a pretty good project but my feeling is that we should not go forward with this until we see a long term plan for the counties use of IT. I'm not sure if that would be a three year, four year or five year plan. Whatever

makes sense and I'm sure you can argue that this would be part of any plan but because we have asked many times, we've got to kind of hold your feet to the fire or something. It is my suggestion that we hold off on this. We would be prepared to fund an outside consultant for about $75,000 and probably approve that here today to facilitate the implementation of the plan and I would like to hear your reaction to that."

Gregory Turner: "A couple of reactions, one from the County perspective, we have been developing a strategic plan for the IT services for Erie County and have developed a plan that talks about the initiatives that I mentioned today. To improve customer service and be more customer focused; drive operational efficiencies, do more with less and do more to protect and enhance the value of our assets. There are a number of key technology initiatives that are linked to each of those strategic initiatives and with that represent a number of our departments, divisions and elected officials business requirements. We believe we have a pretty good plan or at lease a very good blueprint that could be the start of whatever you are advocating. We do believe that there is a lot of work that has to be done in the area of application consolidation. Mapping which application we could use the state system instead of a county developed system or we could merge this function and business process in with today's SAP's accounting or HR side. There are number of these things that we believe exist and there are over 200 plus business applications that we have to look at. We really believe that we could use some assistance in that area in helping us to find the right targets for consolidation and the right way to consolidate and the needs of all of our business and operating departments in Erie County. "

Chairman Goodell: "What will be the result of all that consolidation?"

Michael Schenkle: "From a support standpoint which I believe, this ice berg is under the water. It allows us to operate much more efficiently. You use a computer, there are a dozen programs on it and we have to support 200 computer programs. If we could drop that down to 100 great but if we could drop it to 50, now we can actually provide support that is meaningful, so that people get their work done faster and not just fix things when it gets broken."

Chairman Goodell: "Frankly, I'm not to concerned about your workload, I am concerned about the work load of somebody out in the department of public works, in the Accounting department, if they use it the Town of Amherst, the Sheriff's. I am concerned that this enhances there ability to achieve there mission. If you need to have a few guys to stay overtime to accomplish this, it is pretty low on the priority list."

Gregory Turner: "We agree with you in terms of this being a customer focused organization. If you look at our cost structures, 80 – 90% of the cost structures deal with application support. So if you are consolidating the number of applications; if all you are doing is moving the functioning process to another application, you are going to have some cost savings but not a complete 100% reduction.. If you are eliminating or shutting off applications they are no longer needed because the function is completely archaic, the activity is completely done at the State level and we don't need to do it anymore, then yes it is a cost savings and it is a cost savings not only in DISS but the county of Erie as a whole. There are a number of IT support resources that are still in other departments and divisions of elected officials in Erie County that would be affected by application consolidation."

"Another point that I just wanted to raise in terms of thin client is that one of the benefits of this terms of a cost savings was the Go Green Initiative and the Go Green Energy Savings. The Department of Environmental Planning has identified that by having a thin client and being able to centrally manage a control when that this is turned on and turned off; when the user logs in that from 24 hour being powered on, which they tend to be today, the reduction from 8 – 16 hours we are looking at $80 – 100 savings per device on an annual basis which could be as much as $450,000 for the County as a whole."

Chairman Goodell: "I would assume that that, along with the consolidation issue would be part of an array of priorities. Top priority might be the Sheriff's department, second might be something else but this master plan would define the priorities but would be driven by the commissioners and Sheriff and who else. I would like to entertain a motion."

Mr. Director Goodell is away from microphone and recording is not strong

Director Goodell: "Would it take you long to put together a proposal that is a little stronger in content, that encompasses everything and not just get pieces. Would it take 30 days? 60 day?"

Gregory Turner: "Less then 60 days."

Director Goodell: "You have also indicated that you may need some outside help on this and could you use Six Sigma to help with this project. I imagine some of this goes beyond six sigma but my question is, is there appropriate operators in place that, once we have this accomplished things will run smoothly."

Gregory Turner: "Absolutely, we are very closely working very closely with Bill Carey and with Al Hammond's on our six sigma initiatives. Our strategic plan had to come with an administration theme of trying to drive cost efficiencies and

provide more value added services which is the underpinnings of our Six Sigma initiatives in Erie County. So we are trying to do all. We have included define, measure, analysis and improvement steps in all that we do in DISS."

Director Goodell: "Would you work with us to make sure that if any of the board has any concerns that we can call you and talk to you so that if you need it any assistance we can provide it.

Gregory Turner: Absolutely, we would welcome it.

Chairman Goodell: "I would like to entertain a motion that the committee recommends to the Board the expenditure up to $75,000 for outside help to help prepare this long range study. I don't want the $75,000 to be restrictive. I want to do that today so you can get started. I would like you to sit down with Mr. Vetter afterward and decide whether that is the right amount. But I don't want to hold you back and that is why I inject this in there. I don't think we want to set a deadline."

Director Kruly: "I think we should set a deadline so that we can move this forward. We can always extend but it holds peoples feet to the fire."

Chairman Goodell: "I agree, how about 60 days?"

Director Johnson moves and Director Kruly seconds

Chairman Goodell: "Moving along here. I think what we will do next is take a look at the two requests here for six sigma. Is there someone here to talk about that? One is for the extension of the funding for two years and the other is for the training."

William Carey: "Good afternoon, thank you for having me here today. What I had planed on doing was go through very quickly a power point presentation that you have looked at today."

Chairman Goodell: "Why don't you just give us the highlights?"

William Carey: "Okay, so the agenda of the presentation just talked about the organization, the time line and what we have approved this year. "

Chairman Goodell: "We don't need to hear each bullet point, unless there is one that stands out as we have been informed."

William Carey: "One slide I would like to talk about is the training deployment slide with the green belt and yellow belt showing roughly 25 County departments and it showed our strategy of deploying six sigma from a training

perspective in 2008/2009 and how we are penetrating the departments and getting more and more engaged from a green belt perspective and supporting them with yellow belts. That seems to be a very good formula for us as we move forward."

"The slide that you have here talks about the Wave I projects. As you can see the original targets, I think the very last initial estimate was $1.1 million. Some of you may recall that number. From the revised estimates for the first 9 projects we are at about $1.3 million. We are very pleased that in 2008, we had hard dollars savings of $2.2 million which was almost double the original $1.1 and obviously significantly better then the $1.3. Equally successful was the engagement of the green belts and their team, the champion commissioners and process owners of these various opportunities. The 2009 savings which I review with budget support on a quarterly basis to validate the tracking shows these Wave 1 projects tracking to an incremental $2.7million in this year. That is over and above the 2008 actual. So that is very positive news."

"I will jump to the Wave 2. Wave 2 projects some lessons learned here. We will not start a new wave during holiday season or budget season and unfortunately had the plan crash which adversely impacted a number of these projects. So we have had some bumps and bruises along this wave so it is a bit elongated as compared to Wave 1. However we are still tracking to the initial estimates of the 2009 impact of just over $1 million and we are in the measure and analyses phase. Most of the projects are in the improve phase for one of the project. Over the next two months I will be analyzing and validating these numbers with the budget personnel. I asked an objective party to help me look at the financials with the green belts and their teams. WE are tracking to close projects out. Some will be closed at the end of May. The others will be June and a few that may trickle into July and then we will be closed with Wave Two projects."

Director Kruly: '"The county budget, when you look a the whole thing, there are two main capital expenses social services transfer payments which are basically whatever the federal./state and the economy do for us and jobs. How many jobs have been eliminated not changed but eliminated through six sigma?"

William Carey: "Zero"

Director Kruly: "How many do you anticipate eliminating?"

William Carey: "Zero."

Director Kruly: "So where are the savings coming from?"

William Carey: "The savings are coming from eliminating vacant positions or if the position becomes vacant we may not have to fill it. We are increasing capacity and reducing outsourcing of repairs and maintenance. We have reduced overtime by increasing our capacity so we don't require as much overtime. Then some of the mental health cases, we have diverted the intake of some mentally ill and troubled juveniles and we have greatly reduced the repeat visits of some of those troubled juvenile and mentally ill based on various models of treatment. That has been the biggest hit that we have seen so far."

Director Kruly "The 2008 budget is closed of course, the books are being locked down and finalized I'm assuming some time soon. So I am assuming that the $2 million that you have reported can be linked back to specific line accounts in the County budget. I asked you to show the lines in each department that are actually being reduced over what they would have been based on six sigma savings.

William Carey: "I don't have all that with me today but I can get that to you very quickly."

Director Kruly: "Could you provide that to Mr. Vetter?"

William Carey: "Yes."

Chairman Goodell: "I think that also applies to the 2008 budget."

"I think that some of us are concerned about your statement that no one has been laid off because of this. You have indicated that there are some jobs that have opened because someone retired or got laid off. How many of those are there?"

William Carey: "I don't have the exact number but I can provide that to you. In addition, in Social Services here are over 130 vacant positions so as we are finding opportunities in Social Services some of these folks have been retrained and redeployed to other areas and I will get you that number as well."

Chairman Goodell: "I would like to suggest that we approve this for one additional year which would take it through 2010 and further that within the next 60 – 90 days we will ask you to make a presentation to the board at probably a single subject board meeting. As part of that we want Director Kruly and Mr. Vetter to follow through on Mr. Kruly's questions to verify cost savings that you claim there and we would take a look at that prior to extending your funding through 2011."

William Carey: "Just a comment on that, in the PowerPoint presentation that you have, we put in some control phase slides that shows the results from the projects in 2008 and how we are tracking both the financial and non financial metric

	to demonstrate those savings, so I will be pleased to entertain Mr. Kruly and Mr. Vetter's questions."
Chairman Goodell:	"Fine. I think Mr. Thomas has an interest as well. Do I hear a motion to recommend to the Board that we approve extension of the funding through 2010 subject to the review that we discussed here?"

Director Johnson moves, Chairman Goodell seconds, and Director Kruly abstains

Chairman Goodell:	"Now we have the training issue which is a different cost number. This is $391,000 for the next year. Do you want to touch on that briefly?"
William Carey:	"Sure. The training is critical to continuing the deployment of the green and yellow belt penetrating the departments and to continue penetrating and cascading in order to build some depth to departments like Social Services, the Mental Health department, the Department of Health. We are now starting with the Sheriff's. We have our first green belt in class today for the Sheriff's. To continue that the training is paramount to continue building on future opportunities. So it is critical that we don't slow down, don't stop and continue pacing it out especially coming under black belt training which has not been approved previously from a capacity prospective we could be doing more projects with more green belts if we can seed this with black belts. So the training for the two year period is critical so that we can get locked in and execute against that. Otherwise we might slow down a bit and we don't want to do that."
Director Johnson:	"My question is, that there is a lot of concern among the citizenry about what is going on to improve the overall performance of the parks department, it is currently sitting in the arms of the County but could be going back to the City. What is your plan for training in the parks department?"
William Carey:	"We have 2 green belts from the Parks department and we have a number of yellow belts being trained. The future parks program calls for further yellow belts to be trained over the next two years. They are continuing the green belts from the parks projects and they have started the second wave projects this year."
Chairman Goodell:	"I would like to suggest that consistent with the previous approval that we extend this for one year subject to the review of the accomplishment and we would then take a look at the additional year depending on the results, savings and credibility that flows from all that."

Director Johnson moves, Chairman Goodell seconds Director Kruly abstains.

Chairman Goodell:	"I don't want you to think that we are not behind six sigma. There are a number of us who are anxiously awaiting how this is working in county government. Don't take our caution as negative."
	"Ms. Mazzone. Mr. Vetter has informed me that I am mispronouncing your name and I would like to apologize. This is a request for funding two more years of space utilization efforts and we are ready to hear you."
Michelle Mazzone:	"Thank you. I don't think that we need to go through these line items because this is repetitive information that you already have. The $2.6 million that we saved with some of the projects that we have and some of the reductions in moving some of the leased spaces into County owned space."
	"The next slide I want to put up. This talks about the future. These are some potentials future opportunities that we have."
	"We have various leases that we are currently in the process of analyzing. Our initial analysis concludes that we can potential save approximately $393,000 which would result in a 33% space reduction by moving some of the entities that are currently in leased space back into a clinic that is at 1500 Broadway. We have gone over these things with the Department of Health and it not only supplies us with adequate space reduction and a reduction in lease cost but it also provides us with efficiencies from an employee stand point."
Director Kruly:	"Is 1500 Broadway owned by the County?"
Michelle Mazzone:	"Yes it is owned by the County. So we would be moving an entity that is leasing space into a County owned facility whereby also providing that particular department with efficiencies. There is actually a clinic there now, so what we would be doing is moving another clinic in this space that already acts as a health clinic currently."
	"Another opportunity that we have is a lease negotiation with a space in the Main/Court building with Judge Piggott. I am currently in negotiations with the landlord right now. I am anticipating about $140,000 overall in an annual rent deduction. This is over a five year period."
Director Kruly:	"What department and staff?"
Michelle Mazzone:	"This is Judge Piggott's space and although it is a reimbursed space from the State, since it is taxpayer dollars I think it is worth it for us to get some of these leases back into the market rate arena because we are paying more then what we should be paying."

"Another estimated reduction is in future construction costs to which I will show you a slide of what we did with that. There is 20 – 40% space reduction that we are anticipating. As you know our average space reduction just from implementing some of our projects is about 47%. Then we anticipate about 10% future purchasing savings just through standardizing some of the finishes that are utilized through standard county facilities instead of buying different lock, doors, etc. We are going to be utilizing differed standards whereby we can utilize the specific doors and specific locks at most of our county facilities that will save us. The 10% is an estimate. It could be more, it could be less but I really don't have a handle on that at this particular point. This is just a future potential. Then there is the goal to analyze the real estate from an industry standard management aspect. Thinking of the taxpayer as a shareholder in real estate transactions."

"This gives you a little of an idea of the construction methodologies that we are using. When I started at the County, the original estimate that I was given for the 1st and 16th floor was $3.4 million. Through some reengineering and industry standards implementations we reduced that cost to an estimated $1.7 million understanding that our project is not finished, however we are to date anticipating meeting that $1.7 million which totals to a savings of $1.7 million in construction costs alone. The problem we have is that we don't have any hard data that we can point to a budget and say it is $1.7 million. All we have is an estimate that would be potential for construction costs. "

"Another example is that in 2007 with DMV, there was an estimate given just to do the DMV portion that was $1.9 million. We have completed the DMV and the County Attorneys office on the 16th floor of the Rath Building for $1.7 million. So that should give you a feel for the reengineering through going through these estimates, making sure we are doing thing properly and providing savings to the tax payer. Any questions?"

Director Kruly:	"What about the large leases that the county has for social services at Henns and Kelly and Main/Swan? Is anything being done with those?"
Michelle Mazzone	"We recently finished negotiations last year, we renegotiated the lease at 290 Main Street and we just recently provided a floor plan to the Comm. Of Social Services to review a reengineering of the 478 Main Street lease. Currently right now, we do not have this finalized at this point but we estimate reducing the square footage from about 110,000 ft to about 85,000 square thousand feet."

Director Johnson:	"Are any of the health clinics going to be under this space utilization study? Moving from some of the health clinics in the community to county owned space in the Rath Building. Similar to what YOU did with the DMV?"
Michelle Mazzone:	"We actually moved a few clinics and consolidated in to free space in Blasdell but do not anticipate any other clinics moving. The only clinic that we are focusing on right now is potentially moving the clinic that is located on the second floor of the Rath Building to 1500 Broadway in order to move another group that we are c currently leasing space for into the second floor but that is the only clinic at this time."
Chairman Goodell:	"Ms. Mazzone, at a previous meeting, we discussed developing an array of metrics to be used in managing of the ongoing occupancy costs, such as the maintenance cost per square foot, utilities per square foot, whatever was appropriate. What have you accomplished in the way of that?"
Michelle Mazzone:	"We actually accomplished quite a bit. Right now we have an entire inventory of the county buildings. We have a square footage that we are utilizing as a baseline for each building and we are currently developing the mechanism to track any expense that is associated with that building and I am working with Budget and the Comptrollers office to develop a better way to track these through SAP and we currently have developed a text line that we can sort of track each expense per building and then have a percentage comparable, so that in 2009 we will have a year end number and in 2010 we will have a quarterly mechanism to track our expenses whether they are rising or falling."
Chairman Goodell:	"Have you developed or tried to find any comparables outside in the cold cruel world for these other office buildings downtown that pay for maintenance per square foot?"
Michelle Mazzone:	"There is an organization of Building owners and management association. Typically, the industry standard and I hate to use the private sector but typically what you do is you try to maintain a certain operating cost and you can track that operating cost based on whether it is a multi story, a single story or whether it is utilized as a manufacturing facility or a medical facility. Yes, I am doing that; we are tracking those numbers. I can tell you that our base line is not established yet and I do not have my operating expenses per building I cannot compare them yet. I can provide a preliminary, however I do not have a final comparison to present to you."
Chairman Goodell:	"Okay, I think that I would propose a motion to extend the space utilization or one year and expecting that in the next several months we would be able to see some preliminary work on these metric measurement

and that is one of the things that I have sunk my teeth into as being important to kind of know where you are an that over the next period of the next couple of months spend some time with Mr. Vetter and help us understand that. So I would propose to fellow committee members that we approve this and recommend approval from the full board and look into updates in 3 months or so and take a harder look at some of these issues. I am concerned that squeezing a department down 33% does not provide cost savings unless at the end of the line are able to move out of leased space or something like that so we want to spend some time really looking at those."

Michelle Mazzone: "Okay thank you."

Chairman Goodell: "Could I have a motion to adjourn?"

Director Johnson: "I would make a motion but just a caveat on the clinics in the Health Departments that are in communities. There are a number of rumors that some of those clinics are going to be moved under this some of this space utilization review, to the Rath Building which would make it extremely difficult for some Senior citizens and individuals that lack transportation services to get to the Rath Building versus places in the community like Jesse Nash and the clinic on Broadway."

Director Kruly moved to adjourn, Director Johnson seconded and the committee members voted unanimously to adjourn.

Respectfully submitted:

_____
Stanley J. Keysa
Secretary