STAFF REPORT
11/10/2021

TO: Honorable Mayor and City Council Members

FROM: Nathan Statham, Finance Director

SUBJECT: Purchase of Replacement Servers

STAFF RECOMMENDATION:

Staff recommends that City Council adopt Resolution 2021-68 approving the purchase of new servers to replace existing severs still in use after end of recommended service life.

EXECUTIVE SUMMARY

The City currently has five servers that are operating past their recommended end of life (5 years). The City also has insufficient redundant backup servers to fully duplicate operational servers. While the City has virtual server configurations in place, full onsite duplication is recommended for timely system restoration in the event of a cyber-attack or system failure. The servers being replaced will be used as backup servers for full on site server redundancy (highly recommended).

The replacement and reconfiguration of aging servers is essential to the City network security continuity of service response and new ERP system implementation.

BACKGROUND:

As cybercrime has continued to increase in recent years, the City's IT Division has taken measures to increase security for City IT systems and has been assessing various aspects of the City's IT infrastructure as it pertains to continuity of service constraints. With increased remote work access and increased storage requirements for increasing volumes of digital documents, the server component of the City's IT infrastructure has become exceedingly critical.

Additionally, City staff is in the process of evaluating a new enterprise resource planning (ERP) software solution for City Wide implementation to replace the City's current legacy financial system and add community facing functionality for online permitting, building inspections, code enforcement and payment processing for business licenses, utility bills, cannabis and other taxes. Additional server capacity needs are anticipated for the new system along with increased data processing capacity requirements.

Prior to the increased security concerns and plans for a new ERP, the IT division was replacing servers on an annual basis of one server per year due to budgetary considerations. However, given the increased security concerns and anticipated increased resource needs, staff is recommending this replacement schedule be accelerated.

FISCAL IMPACT:

Each server has an approximate cost of $10,700 and operating system licensing costs of $4,800 for a total per server cost of $15,500. The IT Division included funding for one server in the 2021-22 adopted budget, so additional appropriations are needed for four servers ($62,000). After evaluating the circumstances leading to the replacement of these servers, the purchase of two of the servers will qualify for ARPA funding. This action would appropriate $31,000 in the IT Division operating budget in the general fund (101); however, $8,680 would be recovered thorough overhead allocations from the water (178) and sanitary (361) funds. It would also appropriate $31,000 in the City's grant fund (152) for a total cost to the general fund of $22,320.

ALTERNATIVES:

1. Approve staff's recommendation to adopt Resolution No. 2021-68 purchasing five new servers and respective operating system licenses.
2. Direct staff to retain the existing servers past recommended end of life without redundant back up servers.

ATTACHMENTS

Resolution 2021-68