MEMORANDUM

TO: Mayor and City Councilmembers

FROM: Sharon Hanson, City Administrator

DATE: November 22, 2019

SUBJECT: City of Marshall IT System Separation

Starting in June of this year, Marshall Municipal Utilities (MMU), in agreement with the City, contracted with RSM, MMU's Information Technology (IT) consultant, to provide a Technical Action Plan (TAP) that would assess MMU's IT systems and the IT systems specific to the City of Marshall. This included: business needs assessment, technology needs including network, data center systems, back-up/recovery systems, security and segmentation, and a three-year plan in order to meet the recommendation of the plan.

On Wednesday October 23th City and MMU staff reviewed the TAP along with RSM and Brian Hart from the Computer Man. Following this meeting, there was an internal review of the TAP by the City conducted by Brian Hart and third-party IT expert consultant Shawn Larsen. This review led the City to explore the option of separation from the MMU system. This included not only equipment needs, but overall IT goals for the City, day to day IT service needs and security needs for the City. The following was determined:

- City end users exceed MMU and thus end user desk help and IT software analysis are greater
- City software needs are different than MMU, i.e. CAMA, RT Vision, Incode 10 to name a few)
- The security needs of MMU exceeded the needs of the City thus creating a cost-share that did not equal shared benefit
- The shared equipment has reached the end of life, and thus separation timing would be ideal now rather than later
- There is an opportunity for server room capabilities within the renovated City Hall that could be utilized
- There is an opportunity with the initial temporary office space to utilize the ISP service from State of Minnesota Information Technology (MNIT)and still utilizing the MMU/City fiber network to connect City facilities in the same manner as currently done. The City Network set up in this way would be reviewed while in temporary offices in order to evaluate permanent ISP connection when located at renovated City Hall
- The cost of RSM TAP plan exceeded the cost of proposed City proposed network solutions:

    - The implementation of the TAP was to begin in the 4th quarter of 2019 and continue for three years until 2022. The total projected cost of the TAP and associated annual operating costs for 2019-2020 is $601,648, with the City's portion estimated at $286,305.
    - The 2021-2022 TAP costs are projected at $416,000, with the City's portion estimated at $226,500. The operating IT costs for 2021- 2022 are estimated at $364,396, with the City's portion estimated at $184,560.

o The overall projected IT costs for 2019-2022 are $1,382,044, with the City's portion estimated at $697,365. MMU's portion at the end of 2022 is estimated at $684,679. These are estimations and are not actual costs.

As a result of the above City determination, the City notified MMU on November 12, 2019 of the City's intention to separate the City's IT network from MMU. Please note, the fiber optic system owned by MMU and utilized by the City of Marshall to tie their buildings together will remain used and useful to the City. In addition, the GIS contractual agreement would remain in place.

The separation from MMU means the City hires an IT consulting firm to purchase equipment needed to "stand-up" their own IT system. MMU would plan for its IT system needs without consideration for the City's future IT system needs. The costs to follow this option for the City would be determined and paid for by the City.