

# Memo

**To:** Honorable Mayor and City Council  
**From:** Joe Kohlmann, City Administrator  
**Date:** February 11, 2014  
**Re:** Server and IT Services

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The City of Tonka Bay planned capital purchases in 2014 for a new Server and a Microsoft upgrade. The total budgeted for these two items is \$5,000. Preliminary estimates for the Microsoft upgrade have been \$1,500 - \$2,000 (more research and expertise is needed to finalize the exact type of software and licenses are needed). The most important replacement right now is the server which has approximately a "jump drive" worth of memory on it. Now that many documents are scanned and saved electronically, this is a necessary upgrade for the City.

Staff received two quotes for the Server replacement. Rackley Computer Consulting and Document Technology Solutions (DTS). Rackley's price for replacement of the server fluctuates for two reasons. 1) Servers are constantly fluctuating in price and 2) He will provide us with a discount if we enter into an IT Contract with Rackelys Computer Consulting. Below are the prices for the Server Replacement:

<u>Rackley</u>	<u>DTS</u>
Labor \$1,320	
Discount Labor \$1,020	
Server #1 \$1,809.54	
<u>Servier#2 \$2,807.37</u>	
\$2,829.54 - \$4,127.37*	\$4,844

\*Rackely's price is dependent of available servers at time of purchase and a potential discounted labor rate if IT Contract is entered into.

## **IT Services**

Staff has gotten two quotes on IT Services for the City of Tonka Bay. Both contracts would essentially continually update and monitor the City's computer network. DTS put together are report of the health of our server and computer terminals. As you can see on the report, there seems to be a number of issues. Overall, the system generally runs smoothly, however, when things to go bad they are usually repaired with some patchwork (removal of single virus, one time virus software update, etc.).

The City annually budgets \$4,000 for computer services. In 2013, the City spent \$2,808 just pay for software (mainly utility billing, payroll, internet, etc.) operating expense. The City also paid \$2,552 in computer repairs (IT technician coming on site). Totaling \$5,360.

The repair line item can fluctuate from year to year. However, based off the report by DTS, it seems that many things get patched up and there is no real long term plan to keep things up to date. One of the work stations and the server are running on a version of Microsoft that will no longer be supported in the spring time.

Below are the quoted prices for IT Services from Rackley's Computer Consulting and DTS. There are pros and cons to each service provider. They include: amount of staff, cost, operating tools, and responsiveness. Both quotes would also put us over budget in 2014. However, the last four budget cycles the City has ended with a substantial surplus while keeping the levy flat each year.

**Rackely**  
\$255 per month

**DTS**  
\$325 per month

\$3,060 annually

\$3,900 annually

*Attached is the DTS assessment of our Computer Network  
Attached are the quotes from Rackley and DTS regarding the Server  
Attached are the quotes for IT Services on a monthly basis*

### **Council Action Requested:**

Discuss the replacement of the Server and IT Service Proposals.