



Report Presented To:	Township of Southgate Council Meeting
Meeting Date:	2024-12-04
Report Number	FIN2024-020
Title:	IT Infrastructure Upgrades
Open/Closed Session:	Open Session
Prepared By:	Kayla Best HR Manager & Deputy Treasurer
Approved By:	Kayla Best HR Manager & Deputy Treasurer
Approved By:	Dina Lundy Chief Administrative Officer

Executive Summary:

It has been identified that some of the Township’s technical infrastructure is aging and becoming a risk. Staff recommend using the unused funds of the Replacement of Financial Software project that was approved in the 2024 budget towards the required IT equipment.

Recommendation:

Be it resolved that Staff Report FIN2024-020 be received for information; and
That Council approve the transfer of \$150,000.00 in the 2024 capital budget from the Replacement of Financial Software project to fund the Upgrading Required IT infrastructure project identified in this report; and
That Council direct staff to use any outstanding balance of these funds to begin an IT infrastructure reserve that can be contributed to annually for major IT infrastructure replacements.

Background:

Staff met with the Township’s third-party IT provider to review the status of all IT infrastructure within the Township. It was identified that upgrades and replacements are required due to the age of the devices and the expiration of warranties.

Analysis

In today’s rapidly evolving technological environment, it is crucial to maintain up to date IT infrastructure. Aging systems and infrastructure present risks to the Township including extended periods of downtime, cyber security issues and decrease in efficiencies due to lower processing speeds. The recently introduced Bill 194 - Strengthening Cyber Security and Building

Trust in the Public Sector Act, 2024, stresses the importance of cyber security in the public sector.

As the Township grows, our technology must grow alongside it to support the needs of the organization. When assessing the replacement equipment, staff will work closely with the IT third-party to ensure what is purchased will grow with the Township and continue to support our needs. Upgrading and replacing this equipment will mitigate risks and ensure our systems are under warranty, secure and working effectively.

The township has aging IT infrastructure that is causing disruptions and is at risk of failing, including the township's most critical infrastructure, being our server. The replacement cost for this is approximately \$60,000 including installation. There are also several laptops that are using unsupported operating systems and could fail. Additionally, the township phone system is in need of overhaul as we continue to experience disruptions.

The full breakdown of the project with estimated costs through the township's IT provider is as follows:

Server	\$60,000
Routers/Firewalls	\$18,000
VOIP Phone System	\$12,000
Laptops and Monitors etc.	\$25,000
Wifi Splitting	<u>\$5,000</u>
	\$120,000

Staff evaluated the current 2024 approved budget and identified that \$150,000 was budgeted and approved for the Replacement of Financial Software. The replacement project did not take place in 2024 and after evaluating closely, staff recommend pushing this initiative out 2-3 years while the finance team works through all processes and data cleanup. Staff recommend using this approved budgeted amount to replace and upgrade aged IT infrastructure. Staff also recommend starting a reserve fund for IT infrastructure and would transfer any remaining funds from the \$150,000 into that reserve once the project is complete.

Internal Policy and Legislated Requirements:

None.

Financial and Resource Implications:

The financial implications of this report are transferring the approved use of \$150,000 for the Replacement of Financial Software to using the funds to replace and upgrade aging IT Infrastructure; both expenses would be considered capital expenditures. The remaining funds will be transferred to a new IT Infrastructure reserve.

Strategic Priorities:

Priority: Operational Excellence

Goal: Goal 12: Ensure Diligent Maintenance and Long-Term Sustainability of Township Assets and Infrastructure