Ivins City Finance Report

Date: ***November 20, 2014***

Purpose: ***Present information on adjusting Department Budgets within the General Fund for the purchase of computer equipment & software***

Recommendation: ***Approve a Resolution adjusting Department Budgets within the General Fund and Approve the Purchase of the computer equipment.***

Background:

The City has 3 computer servers that operate on Microsoft Server 2003 platform. This platform will no longer be supported or updated by Microsoft beginning in July 2015. Also, the servers are overloaded and having problems with periodic shutdowns and other operating issues. Due to the ongoing issues and the need to replace the servers during the fiscal year, management and staff would like to replace the equipment at this time. Also, the city staff is using multiple version of Microsoft Office which leads to compatibility issues. IT Services recommends obtaining Microsoft Office 365 Enterprise Edition to best serve the needs of the city. This would insure that all employees are using the most current version of the software, provide automatic updates, and provide for the required document storage and retention. The cost for the servers and related equipment is $22,843 and the software replacement is $9,180 for a total of $32,023.00 as outlined by the included proposal from IT Services. Management and staff recommend transferring unappropriated funds from the Public Safety Department to the General Government Department. The Uniform Fiscal Procedures Act of Cities states:

> **10-6-125. Transfer of appropriation balance between departments in same fund.**
>
> At the request of the budget officer or upon its own initiative, the governing body by resolution may transfer any unencumbered or unexpended appropriation balance or portion thereof from one department in a fund to another within the same fund, provided that no appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law or ordinance shall be reduced below the minimums required. Enacted by Chapter 26, 1979 General Session

- In the current budget year, Public Safety added an officer that came over from Fire / Rescue. This gave the department an extra officer. During the 1st Quarter, an officer was let go. Currently, the city is fully staffed with officers; however, the budget includes the wages and benefits for the extra officer. The servers and equipment will be added to the General Government Department budget since they are for the use and benefit of all city departments. The budget changes would be as follows:
  - Reduce the Law Enforcement budget in account 10-54-110 Salaries & Wages by $26,000 and account 10-54-120 Employee Benefits by $6,500. The overall Law Enforcement budget will maintain services and staffing and change from $1,956,544 to $1,924,044.
  - Increase the General Government budget account 10-44-740 Capital Outlay – Equipment by $32,500. The overall General Government budget will increase from $244,651 to $277,151.

- The overall General Fund budget will remain unchanged at $5,381,089.

This is a brief summary of the changes and reasons for the department budget transfers. All changes are highlighted in yellow on the attached budget sheets. The proposal for the new equipment from IT Services is also attached to this report. If you would like to discuss this or have any questions, please contact me at the office.

Respectfully,

Wally Ritchie
Director of Finance

November 20, 2014

Fund	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted Budget	2015 Amended Budget	2015 Server Transfer
Combined Fund Revenue							
General	4,609,528	4,195,586	5,209,929	5,295,978	5,800,481	5,381,089	5,381,089
Debt Service	246,319	644,072	446,480	405,598	469,754	469,754	469,754
Municipal Building Authority	143,739	143,557	144,155	144,047	144,150	144,150	144,150
Public Safety Impact	26,084	52,513	55,657	45,377	51,125	51,125	51,125
Street Impact	167,446	392,355	358,205	296,604	326,500	521,350	521,350
Park Impact	711,137	389,243	582,019	464,947	553,700	553,700	553,700
Capital Projects	3,812,155	2,051,086	486,273	580,044	987,170	1,185,074	1,185,074
Water	2,163,196	2,005,230	2,177,873	2,481,207	2,288,354	2,075,585	2,075,585
Waste Water							
Sewer	1,040,824	1,084,353	878,343	1,516,839	988,749	988,749	988,749
Storm Drain	914,601	609,298	566,740	829,502	588,916	588,916	588,916
Water Impact Fees	-	-	-	-	2,903,330	2,903,330	2,903,330
Total Revenues	13,835,028	11,567,294	10,905,675	12,060,143	15,102,229	14,862,823	14,862,823
Combined Fund Expenditures							
General	4,306,072	4,050,164	5,067,367	5,249,928	5,800,482	5,381,089	5,381,089
Debt Service	246,320	305,605	471,784	472,285	469,754	469,754	469,754
Municipal Building Authority	143,360	143,050	143,680	143,220	144,150	144,150	144,150
Public Safety Impact	15,300	-	-	-	51,125	51,125	51,125
Street Impact	68,465	111,525	264,376	196,350	326,500	521,350	521,350
Park Impact	1,047,020	152,050	162,188	173,680	553,700	553,700	553,700
Capital Projects	2,232,306	2,241,121	1,578,423	611,325	987,170	1,185,074	1,185,074
Water	1,840,229	2,155,375	2,058,953	4,852,965	4,852,965	4,847,843	4,847,843
Waste Water							
Sewer	1,654,133	1,016,705	1,138,687	905,979	1,012,535	1,005,820	1,005,820
Storm Drain	615,220	542,121	436,534	502,942	608,691	658,402	658,402
Total Expenditures	12,168,426	10,717,716	11,321,990	13,108,674	14,807,072	14,818,307	14,818,307
Total Surplus (Deficit)	1,666,603	849,578	(416,315)	(1,048,531)	295,157	44,515	44,515

GENERAL GOVERNMENT

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted Budget	2015 Amended Budget	2015 Server Transfer
EXPENDITURES							
4411.0 - Salaries & Wages	49,789	49,942	55,009	55,470	59,450	55,913	55,913
4412.0 - Employee Benefits	297	28	281	-	-	-	-
4413.0 - Employers Taxes	3,809	3,290	3,916	5,505	6,150	5,513	5,513
4421.0 - Books, Subscript, Memberships	5,232	5,165	5,401	8,984	5,125	5,125	5,125
4423.0 - Travel	-	35	-	150	1,500	1,000	1,000
4424.0 - Office Supplies & Expenses	1,338	3,540	1,167	1,862	7,500	2,500	2,500
4431.0 - Professional & Technical	-	-	101	4,602	4,500	4,500	4,500
4431.2 - Engineering / Planner Fees	750	3,000	-	-	-	-	-
4433.0 - Education & Training	280	3,707	85	1,290	2,500	1,500	1,500
4451.0 - Insurance & Surety	991	1,717	1,717	1,755	1,800	2,100	2,100
4460.0 - Princess Pageant	1,992	2,690	2,795	1,728	2,700	2,500	2,500
4461.0 - Miscellaneous	-	-	66	1,122	100	100	100
4461.1 - Town Activities	3,933	7,926	5,804	6,857	7,500	1,300	1,300
4461.2 - Youth Easter Activty	2,309	2,166	1,940	1,839	2,100	2,000	2,000
4461.3 - 24th of July Party	2,139	2,075	2,214	2,141	2,500	2,000	2,000
4461.6 - Fitness Festival	12,152	3,897	-	-	-	-	-
4461.7 - Heritage Days	3,530	3,948	1,845	1,374	4,300	2,500	2,500
4461.9 - Scholarships	-	200	500	-	2,000	2,000	2,000
4462.1 - Donations Under $250	800	-	875	1,120	2,000	1,000	1,000
4462.2 - Donation Tuacahn	2,000	-	2,000	-	-	-	-
4462.3 - Donation Southern Utah Music	1,000	1,000	1,000	1,000	1,000	1,000	1,000
4462.6 - Dixie Care & Share Donation	-	-	-	-	-	-	-
4462.7 - Kayenta Street Painting Festival	-	-	1,000	1,000	1,000	1,000	1,000
4462.8 - Washington County Youth Crisis Cent	-	-	-	3,600	5,000	3,600	3,600
4463.0 - Suntran Bus Service	-	-	-	-	156,000	125,000	125,000
4466.0 - Advertising Coupon	-	-	2,937	11,398	11,500	11,500	11,500
4469.7 - Community T.V.	7,205	6,753	6,753	6,930	7,000	7,000	7,000
4474.0 - Capital Outlay - Equipment	-	1,500	90	7,123	6,000	4,000	36,500
4474.1 - Capital Outlay - Furnishing	-	-	1,774	-	-	-	-
Total	**99,547**	**102,578**	**99,270**	**126,850**	**299,225**	**244,651**	**277,151**
REVENUE							
3415.0 - Sale of Maps & Books	160	115	86	233	300	300	300
3416.0 - Newsletter Advertising	-	-	2,700	11,100	12,000	11,100	11,100
3210.0 - Business Licenses & Permits	7,725	7,622	7,091	6,700	7,531	6,700	6,700
3827.0 - Heritage Days	950	850	-	145	150	150	150
3866.0 - Princess Scholarship Rev/Donat	220	320	340	150	150	150	150
3872.0 - Restitutions charges	-	-	26	-	-	-	-
3875.0 - Town Activities Revenue/Donati	-	100	-	-	-	-	-
3875.5 - Pioneer Day Celebration	690	738	560	460	250	250	250
3876.0 - Fitness Festival	8,599	2,049	-	-	-	-	-
3880.0 - Cable TV Vault Lease	6,300	5,775	6,300	6,675	6,300	6,500	6,500
3887.5 - Blue Sky Donations	385	10	-	-	-	-	-
3890.0 - Miscellaneous Revenues	18,927	13,175	8,680	9,472	10,000	10,000	10,000
Total	43,956	30,755	25,783	34,935	36,681	35,150	35,150
Required General Revenues	55,590	71,824	73,488	91,915	262,544	209,501	242,001

LAW ENFORCEMENT

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted Budget	2015 Amended Budget	2015 Server Transfer
EXPENDITURES							
5411.0 - Salaries & Wages	534,394	556,354	875,609	930,082	887,500	944,956	918,956
5411.1 - Overtime						46,247	46,247
5412.0 - Employee Benefits	196,221	219,147	353,714	375,565	504,035	443,537	437,037
5413.0 - Employers Taxes	39,757	57,192	83,153	96,429	95,000	96,730	96,730
5413.5 - Uniform Expense	8,395	5,293	20,215	17,019	16,000	16,000	16,000
5421.0 - Books, Subscript, Memberships	1,135	1,047	1,829	836	1,500	1,500	1,500
5423.0 - Travel	3,074	4,616	7,344	7,004	5,000	5,000	5,000
5424.0 - Office Supplies & Expense	7,707	6,158	16,914	13,830	15,000	15,000	15,000
5425.0 - Equip/Splys Fire/Rescue/Animal	9,185	2,973	1,629	541	-	-	-
5425.5 - Vehicle Maint	16,243	22,509	24,586	25,389	23,000	20,000	20,000
5425.6 - Vehicle Fuel	29,658	30,951	11,704	16,799	24,000	17,500	17,500
5426.0 - Bldgs/Grounds - Supplies/Maint	12,354	4,929	7,972	3,066	6,000	5,000	5,000
5427.0 - Utilities	11,021	9,170	9,580	8,412	12,000	10,000	10,000
5428.0 - Telephone	15,580	14,490	24,511	26,046	25,000	25,000	25,000
5431.0 - Professional & Technical	7,022	8,183	10,498	9,748	8,500	8,500	8,500
5431.5 - Contract Services - Spillman	7,184	6,938	10,578	12,447	15,000	15,000	15,000
5433.0 - Education & Training	3,669	4,227	17,237	7,210	10,000	10,000	10,000
5448.0 - Special Department Supplies	619	6,948	27,159	47,803	25,000	25,000	25,000
5448.3 - S.C.H. Special Funct Officer	28,679	22,691	22,214	21,259	23,000	23,000	23,000
5450.0 - St George Police Dispatch	56,203	55,684	90,514	129,324	159,324	159,324	159,324
5451.0 - Insurance & Surety Bonds	6,080	16,983	20,564	19,084	21,000	22,250	22,250
5461.0 - Miscellaneous	4,082	502	8,230	4,857	5,000	5,000	5,000
5474.0 - Capital Outlay - Equipment	9,404	19,571	-	6,123	5,000	5,000	5,000
5474.1 - Capital Outlay - Furnishings	-	-	-	-	2,500	1,000	1,000
5474.2 - Capital Outlay - Vehicles	31,125	-	16,023	25,685	48,000	36,000	36,000
Total	1,038,793	1,076,557	1,661,777	1,804,558	1,936,359	1,956,544	1,924,044
REVENUE							
34510 - Tuacahn/Vista SRO	-	4,830	18,512	40,000	40,000	40,000	40,000
3452.0 - Law Enforcement Santa Clara	-	-	678,579	747,062	886,565	887,470	887,470
3453.0 - SRO Washington County School Distr	-	-	50,774	56,414	55,000	57,260	57,260
3510.0 - Court Fines	48,767	40,269	37,999	6,368	20,000	8,915	8,915
Total	48,767	45,099	785,865	849,844	1,001,565	993,645	993,645
Required General Revenues	990,027	1,031,457	875,912	954,714	934,794	962,899	930,399

IT SERVICES of UTAH

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(435) 656-3074 Fax
www.itsou.com

October 27, 2014

Wally Ritchie
Ivins City
55 North Main Street
Ivins, UT 84738

Thank you for the opportunity to present this technology solution for your business.

We have discussed many of your business needs, challenges and goals. This proposal contains only those items which we have determined to have a significant impact on your business. We understand the importance of this decision for Ivins City.

IT Services of Utah believes in long-term relationships that allow our customers to benefit from this partnership. It is our mission to provide the best technology products and services available in the market place today.

Again, thank you for this opportunity. If you have any further questions, comments, or concerns, please feel free to contact me at 435-673-1655.

Sincerely,

Mark Stauffer
CEO

Proposal #3

Circumstances Requiring Change:

Microsoft is discontinuing support for Windows Server 2003 on July 14, 2015. At that time, any servers running that operating system will no longer be secure. The server infrastructure at Ivins City is aging and beginning to experience problems. The current server infrastructure does not have the capacity to support near future needs as city processes evolve. Ivins would like to store building plans electronically in the future and needs the drive space to store them. The backup drive at Ivins is no longer big enough to back up all data so IT Services has installed a temporary loaner backup NAS which needs to be a permanent solution.

Ivins City has 3 servers at the city office building that need to be replaced. The server named "Ivins-Server" which is the domain controller and file server is running Windows Server 2003. The server named "Ivins-Exchange" which is the exchange email server is running Windows Server 2003. The server named "Server", which is the backup domain controller and hosts ArcGIS and AutoCAD license server, is running Windows Server 2003.

Proposed Solution:

Install a new ½ height 4-post server cabinet in the end room downstairs. Run network cabling from the existing server room to the new room. Install a 16 port smart switch in the new cabinet. Install 2 new servers and 2 new battery backups and a new KVM switch (keyboard, video, mouse controller) in the new cabinet. Configure new server as detailed below.

Server 1: Virtual Machine Host Server Hosting the Following:
- Ivins-DC1: Domain Controller, DNS Server, DHCP Server
- Ivins-Server: File Server with space for electronic building plans storage
- Ivins-SQL: Server for Pelorus SQL, Sportsman SQL & possibly JefBar SQL
- Install the AutoCAD/ARCGIS License Server on the VM Host

Backup Drive: Make the HP NAS, that is currently hosting the Ivins-Server data, the backup drive for local backups of the primary file server (3 TB). Purchase the Synology NAS that has been on loan and make it the backup drive for local backups of all other file servers (4 TB). Install both devices on a shelf in the new cabinet.

Ivins-DW: This is the Docuware Server. We would make it the backup domain controller and the backup DNS Server. It would be moved into the server cabinet and lay on its side in the cabinet.

Microsoft Office 365 Hosted Solution: Subscription based service that gives you the most current version of Word, Excel, PowerPoint, Outlook, & Publisher. Will not run on XP or Vista. Your exchange email service is hosted in the cloud so you do not need an on-site email server. As long as you pay the subscription fee, you are entitled to install the most recent version of the above listed Microsoft products on up to 5 devices per license purchased (you must have 1 license for each user).

Pricing for Proposed Solution (Hardware):

Server 1: Virtual Machine Host
$11,499.00

Locking Cabinet with heavy duty shelves and mounting gear
$1,240.00

16 Port Switch, KVM Switch, KVM Cables
$710.00

2 APC 1500 Rack Mount Battery Backups
$1,600.00

Synology 4 TB NAS Backup Drive
$549.00

Raceway and Cabling between the 2 server rooms and patch cables for new cabinet
$125.00

Total Hardware Investment: $15,723.00

Pricing for Proposed Recurring Software Subscription:

Microsoft Office 365 E3 Enterprise (Government Pricing)
$9,180.00 per year (45 users @ $17 per user per month)

Total Recurring Software Subscription, 1st year paid up front: $9,180.00

Pricing for Proposed Solution (Labor):

Estimated labor to complete work listed above: 100 Man Hours
$7,120.00 (Normal Business Hours, 20% discount rate applied)

Total Labor Investment: $7,120.00

Grand Total for Proposed Solution: $32,023.00

IT Services requires payment for hardware up front
Microsoft Office 365 Subscription will require payment up front to Microsoft via Credit Card