



**BOARD OF COUNTY COMMISSIONERS MEETING
MONDAY, AUGUST 3, 2015, 9:30 A.M.
ROBERT E. HIBBITTS MEETING ROOM
1924 COURTHOUSE, NEWTON, N.C.**



The Board approved financing in the amount of \$570,000 for computer equipment upgrades for the County and a Declaration of Official Intent to Reimburse Expenditures. A Storage Area Network (SAN) is a large array of high speed, high capacity hard drives that provide storage space for files, data, backups, etc. The SAN is a critical piece of technology infrastructure that houses all data stored by the County, including backup data storage provided to several municipalities within the County. Since the County runs a virtual server environment, the SAN also hosts the virtual servers and provides space for them to run. The central data storage function that the SAN fulfills enhances disaster recovery efforts by enabling real-time data redundancy, keeping the latest data secured and accessible.

The useful life of a SAN is typically 4 to 5 years, and future replacement is planned to correspond with the terms of the financing. In 2006, the County implemented a plan to virtualize computer applications and create a SAN. The original equipment was financed over a five-year period. In 2011, the County made major upgrades to the equipment and financed \$650,000 over another five year period. The County has entered into a new agreement to upgrade the SAN with new equipment with better technology and useable drive space. The cost of this upgrade is approximately \$570,000.

The equipment purchase is planned in the current fiscal year County budget to be financed over a 48-month period. It will be purchased in August 2015 from Varrow through State contract pricing plus additional savings negotiated with the vendor. A Request for Financing Proposals was sent to several financial institutions on June 18, 2015, with five responding by the July 15 deadline. US Bancorp was the lowest bidder at 1.43%, financed over a term of 48 months, with quarterly payments, and First Citizens Bank and Trust was the next lowest at 1.44. At its July 27, 2015 meeting, the Board's Finance and Personnel Subcommittee recommended First Citizens Bank and Trust be considered due to its local presence in the county. First Citizens was contacted to see if it would revise its bid, and submitted an alternate proposal to match the low bid of 1.43%. Other bids included Branch, Banking & Trust (BB&T) (Newton), 1.56%; Peoples Bank (Newton), 2.12%, and PNC Bank (Archdale), 2.82%.

The County would borrow funds under North Carolina General Statute 160-A.20, installment purchase transaction, with the equipment pledged as collateral on the loan. Debt payments will be made quarterly beginning this fiscal year and are included in the current year budget. It is expected that the financing will be complete prior to payment of all expenses related to the purchase. Should there be a delay, staff requests approval of a Declaration of Official Intent to Reimburse Expenditures for any costs incurred prior to the debt issuance. The Board's Finance and Personnel Subcommittee recommends approval of this financing.

CONTACT: DAVE HARDIN, PUBLIC INFORMATION OFFICER

828-465-8464