



To: Village President and Board of Trustees
Scott Niehaus, Village Manager

From: Kevin Goethals, IT Manager

Date: March 15, 2021

Subject: Urgent Purchase of Security Equipment

In the last two weeks there have been several high alert security threats to Government agencies and their Email servers. These threats include hacking Email system, stealing login credentials, and crippling their systems with Ransomware. Their ultimate goal is the make money by compromising systems. Based on the information sent out by Microsoft, the Village's Email system has the potential to be actively sought after by these hackers.

We have already taken proactive measures by updating our Email server with the latest security patches and updates, as recommended by Microsoft. We have also actively scanned the Email server and all Village workstations, for any detection of malicious threats that resemble anything like the threats mentioned by Microsoft. We have not detected anything in regards to that threat.

We have taken a proactive approach by restricting access to our Email system from devices such as smartphones and our external Webmail platform. This restricts the hackers from compromising our system since that is how this particular threat is executed.

Staff is requesting immediately replacing some of our current security hardware and software in order to combat these new threats. Due to the rapid changing security environment, our current equipment lacks the newer technology needed to prevent these new types of attacks from getting into our systems. We are also requesting adding additional services from our current Backup and Disaster Recovery vendor, ThinkGard, to also include CyberSecurity. They will assist in monitoring cybersecurity threats on our systems, as well as provide the lead in mitigating a situation where our systems our breached.

This purchase includes a one-time cost of \$12,282 in hardware and \$4,000 in implementation. It also includes \$37,903.57 in recurring annual costs, of which \$20,088 is for CyberSecurity

services provided by ThinkGard and \$17,815.57 for annual maintenance of the new hardware and software. Please note, the existing hardware was due to be replaced next year at a replacement cost of \$8,500. We also currently spend \$7,200/yr for the annual maintenance of the equipment/software being replaced, so the cost for all the products being purchases are not entirely new additional costs. The overall three-year cost for the hardware and services is \$129,992.71. Deducting the expected hardware replacement costs and the current annual maintenance, the net new funds over the three-year period are \$99,892.71.

Requested Purchase	Year 1	Year 2	Year 3	Total
Hardware	\$12,282			\$12,282.00
Hardware/Software Annual Maintenance	\$17,815.57	\$17,815.57	\$17,815.57	\$53,446.71
Cyber Security Services	\$24,088	\$20,088	\$20,088	\$64,264.00
TOTAL	\$54,185.57	\$37,903.57	\$37,903.57	\$129,992.71

Funds for this purchase will be coming from the Information Technology Reserve Fund. This fund has approximately \$4.4 million set aside for the replacement of the Village's technology equipment. Due to the urgency of the situation, we would like to proceed with this purchase immediately. After this memo is sent out to the Board, staff will conduct a phone poll of the Board and if there is concurrence, this item will be brought to the Board at the April 1, 2021 meeting to formally approve the purchase.