

CITY OF BURTON  
SPECIAL COUNCIL MEETING MINUTES  
MARCH 21, 2011, 6:30 P.M., COUNCIL CHAMBERS  
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The Special Meeting was called to order by President Steve Heffner at 7:00 p.m.

MEMBERS PRESENT: Heffner, Haskins, Smith, Wells, O'Keefe, Martinbianco, Ellenburg.  
MEMBERS ABSENT: None.  
OTHERS PRESENT: Mayor P. Zelenko, Attorney M. Joliat, G. Kray, DPW Director, and L. Young, Clerk's Office.

**PURPOSE OF THE MEETING: Presentation and discussion on technology leasing by Deborah Swink from CSI Leasing.**

PRESENTATION:

Mayor Zelenko introduced the City Controller, Ginger Burke-Miller.

Ginger Burke-Miller introduced Deborah Swink of CSI Leasing, who spoke on the topic of technology leasing. She added that she previously worked for a company who utilized technology leasing. She stated that she hoped that the City would choose to initialize a technology refresh program.

Deborah Swink presented the benefits of a technology-leasing program through her company. She stated about 80% of all U.S. companies lease technology. It is best to have a 3-4 year life cycle on leasing. A benefit to leasing is a steady and predictable budget. Technology is a tool for running a business and should be treated as an operating cost rather than an asset. Leasing reduces disposition costs and liability and creates a 20% savings to the total cost of ownership. The cost to lease is less than the cost to buy because her company invests in the equipment. The majority of the cost of owning technology is for support, including manpower and security. The cost increases after 3-4 years. Some of the benefits of leasing include the avoidance of obsolescence, the encouragement of standardization, an increase in employee productivity, energy efficiency and a good piece of mind. CSI has been 39 years of consistent ownership and it is the largest independent leasing company in the U.S. with 34 U.S. offices and 22 global subsidiaries. The Michigan office is located in Troy. The company has more that \$1.2 billion in leased assets worldwide. Ms. Swink stated further that her company is recognized for flexibility, service excellence and innovation. She went on to explain the three phases of IT lifecycle management, including acquisition, midterm, and end of lease and added that the majority of their customers are on the SmartTrack system. Our IT department would decide which companies they want to work with, and CSI will submit the order and pay the vendor once the City has verified that the order was correct. The City can decide when to renew the schedule. Ms. Swink stated, in summary, that leasing improves the IT lifecycle management, helps maintain consistent budgets, reduces support costs, creates a disposition plan and helps organizations work smarter, not harder.

Mr. Wells inquired regarding Mark Udell not being present.  
Mayor Zelenko replied that Mr. Udell was not able to attend the meeting.

AUDIENCE PARTICIPATION:

Jim Craig, 6295 Hidden Trails, stated Pepsi has been leasing their technology since 1995 and it is a great idea. He asked who handles the maintenance.

COUNCIL DISCUSSION:

Ms. Swink responded that maintenance contract with suppliers could be rolled into the lease or separately.

Mr. Haskins said the server is a big issue and he asked if there was an actual estimate for that.

Mrs. Burke-Miller replied it would cost approximately \$12,000 for the servers and \$1,000 per computer.

Ms. Swink stated that she provided the City with lease rate factors.

Mr. Haskins inquired if the leasing will cover the server problems.

Mrs. Burke-Miller replied that it would benefit the four servers and one voicemail server, which is currently not working.

Mr. Smith asked if there are backup servers off location and a backup electricity source.

Mrs. Burke-Miller replied that there is a backup server located at the Fire/Police Administrative building.

Mayor Zelenko stated there is also a generator for backup electricity.

Mr. Smith asked if there would be training for the new hardware.

Ms. Swink replied that any amount of training would be up to the City. She included that software could be added in the lease.

Mr. O'Keefe inquired on the age of the equipment.

Mrs. Burke-Miller replied that the servers are 8 and 9 years old.

Mr. O'Keefe stated if the City decides to do this now, it wouldn't have to deal with it again for roughly 5 years.

Mr. Wells asked Mrs. Swink if they would have to go out on bids for hardware and based on whose information.

Mayor Zelenko replied it would be based on what the IT director deems necessary.

Mr. Wells asked where the numbers came from.

SPECIAL COUNCIL MINUTES

MARCH 21, 2011 / 6:30 P.M.

PAGE 3

Ms. Swink replied that the numbers were estimates, but she has provided the lease rate factors.

Mrs. Burke-Miller stated that Mark Udell needs to spec out servers.

Mr. Wells asked if we could get away with one server.

Mrs. Burke-Miller replied the City needs separate servers for BSA software and Microsoft exchange.

Ms. Swink stated that Mark should assess how many servers are needed.

Mr. Wells asked what all CSI leases.

Ms. Swink replied that they lease anything involved in technology.

Mr. Martinbianco stated the goal is to keep the technology refreshed and updated, while making it affordable for the City.

Mr. Haskins thanked Ms. Swink and Mrs. Burke-Miller for their presence at the meeting.

The meeting was adjourned at 7:50 P.M.

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