



DECISION ITEM: Modernizing of RODS IT Platform

BOARD/COMMITTEE: Finance Committee

MEETING DATE: February 18, 2026

AGENDA ITEM:

SPONSOR: Keith Karasin

RECOMMENDATION: It is recommended that the Finance Committee support the request for reserve funds (\$54,730.55) to support the movement of RODS IT infrastructure to a 100% cloud-based solution.

SUMMARY OF KEY ISSUES & BACKGROUND:

The RODS servers (Think Server Tower Server TD340 Type 70B7) and UPS are at end of life, having reached the 10-year mark through extended warranties and regular maintenance. Failure rates for the hardware increase significantly for hardware of this age, risking future downtime and costly emergency repairs, if available.

The current servers are also not able to align and support emerging security requirements as well as changes in staff workload expectations on the system. RODS compliance and back up requirements of 7 years of data will be challenged in the current hardware environment, as will recovery times for business continuity.

Initially, RODS Management intended to approach the Finance Committee and the Board to support a \$50,000.00 request from the reserve to replace the existing aging physical servers, UPS, additional hardware and licenses in a hybrid physical server/cloud-based solution. Limited funder support for a 'software as a service' model and a full cloud migration left us with a compromise solution to upgrade our existing approach.

However, on January 12th RODS discovered that our not-for-profit free E1 software licenses and discounted E5 licenses with Microsoft had been terminated. Apparently, in July 2025, Microsoft announced its intent to end that program and move towards a new not for profit cloud-based program. This change by Microsoft, and the new price structure of cloud licenses provided RODS and our IT Provider MicroAge an opportunity to revisit the prior plan to upgrade physical servers in a hybrid environment and evaluate a full modernization and move to the cloud. (The cost of the new Microsoft cloud licenses, while discounted 75% within the new MS not for profit pricing, will have to be borne by RODS Admin, given that IRCC will not approve of the programs expensing MS software within their operating budgets. To facilitate this additional Admin expense with our 15% Admin Fee, RODS intends to end its use

of the Replicon Time & Attendance Tracking Software, \$20k annually, and utilize free software supported in house, redirecting Replicon funds to the MS cloud licenses for all organization staff.)

The attached documents from MicroAge outline the estimated cost to migrate RODS to a 'Modern Workplace Solution' (\$54,730.55 tax in), the expenses are primarily labour costs. The 'software as a service' licenses, mentioned above, will be an ongoing annual in addition expense of approximately \$17,000.00 in addition to the one-time modernization expense.

Please see attached.

ALTERNATIVES:

Status Quo

The alternative to remain with our current server infrastructure is not recommended given that the TD340 & 70B7 servers are at end of life and at high risk of failure, downtime and costly repairs.

Physical Server Replacement

In discussions with our IT provider, they have advised that reverting back to initial plan of the replacement of physical servers and UPS will allow the organization to maintain the current limiting hybrid state of operation, but will leave the organization with the reality of ongoing physical server upgrades in 5-year cycles, in a market where hardware costs are experiencing significant increases. Our IT provider has advised us that the modernization of our IT systems at this time will provide long term cost savings, improved product access, heightened security and more effective use of IT Desktop Support resources.

ADVANCED CONSULTATION: RODS Executive Director and IT Specialist have met with our IT Support Provider MicroAge and have they validated the critical state of current server hardware and UPS. With the change in Microsoft not for profit licensing referred to above, we asked MicroAge to review the previous physical server plan looking at the advantages and opportunities of a full modernization into the cloud. MicroAge highly recommends a full modernization to the cloud, citing long term cost savings, improved product access, heightened security and more effective use of IT Desktop Support resources.

COMMUNICATION STRATEGY: A communication plan and technical training will be required with RODS staff.

REQUIRED APPROVALS: Recommendation of Finance Committee, Approval of the RODS Board of Directors.

STRATEGIC ALIGNMENT: Modernization of the RODS IT system does address IT infrastructure needs and onsite support highlighted in recent organizational strategic planning discussions.

TIMEFRAME/CONSEQUENCES OF DEFERRING DECISION: Deferral of either possible solutions, a *cloud-based modernization* or *physical server/UPS replacement*, is a risk for the organization. Current physical servers are at end of life and becoming a significant risk. The optimum timeline to replace physical servers or modernize RODS IT System is now, in the later part of the 25/26 fiscal year and into the 26/27 fiscal year. Microsoft's termination of free E1 licenses in January 2026 and roll out of a new not for profit licensing structure has presented both a challenge and an opportunity