

SUBJECT: Accept and Appropriate Cyber Insurance proceeds of \$1,000,000 to Fund 445, Project 55025 to partially reimburse expenditures related to the 2018 Cyber Incident.

AGENDA OF: January 15, 2019

ASSEMBLY ACTION:

Adopted without objection 2-5-19

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:

Route to:	Department/Individual	Initials	Remarks
	Originator	LRL	
	Finance Director	<i>CK</i>	
	Borough Attorney	<i>RS</i>	
	Borough Clerk	<i>JMM</i>	1/8/19 <i>(Signature)</i>

ATTACHEMENTS: Fiscal Note: Yes ☒ No ☐
Ordinance Serial No. 19-014 (2 pp)

SUMMARY STATEMENT: On July 17, 2018, the Matanuska-Susitna Borough sustained severe and continuous losses to its Information System from a multi-pronged, multi-vectored advanced persistent malware cyber-incident that began in May 2018. As a direct result of the cyber-incident, the Borough's computer infrastructure, including computers/laptops, most Borough servers, networked telephones and email exchange services needed repair and restoration.

A state level declaration of emergency was requested in an effort to gain access to public assistance and was subsequently denied. No further reimbursement is expected. Expenses to date are \$2,322,000. Most of the remediation work is complete. Increased security measures are ongoing as funding allows to mitigate subsequent attacks.

RECOMMENDATION OF ADMINISTRATION: Approve this legislation to accept and appropriate Cyber Insurance proceeds of \$1,000,000 to Fund 445, Project 55025 to partially reimburse expenditures related to the remediation associated with the 2018 Cyber Incident.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: January 15, 2019

SUBJECT: Accept and Appropriate Cyber Insurance proceeds of \$1,000,000 to Fund 445, Project 55025 to partially reimburse expenditures related to the 2018 Cyber Incident.

ORIGINATOR: Layla Lesley

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>\$1,000,000</u>	FUNDING SOURCE <u>Insurance Proceeds</u>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT: <u>445.000.090.3XX.XXX</u>	PROJECT # <u>55025</u>
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>1/4/19</u>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)						
OPERATING	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE	<u>1000</u>					
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FUNDING: (Thousands of Dollars)						
General Grant Funds						
State/Federal Funds						
Other	<u>1000</u>					
TOTAL	<u>1000</u>					

POSITIONS:						
Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: _____ DATE: _____
 APPROVED BY: [Signature] DATE: 1/4/19