

City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Monday, July 30, 2018

7:00 PM

Special Meeting

Council Chambers

City Council

SPECIAL AGENDA - 7:00 PM**I. CALL TO ORDER**

Mayor O'Neil called the special meeting to order at 7:00 p.m. in Valdez City Council Chambers.

II. ROLL CALL

Present: 7 - Mayor Jeremy O'Neil
Council Member Ron Ruff
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Jim Shirrell
Council Member Dennis Fleming
Council Member Darren Reese

Also Present: 2 - City Manager Elke Doom
City Clerk Sheri Pierce

III. NEW BUSINESS**1. Discussion Item: Update Regarding City Computer Cyber Attack**

Ms. Doom provided an overview of the recent cyber-attack on the City's information technology infrastructure, as well as response efforts following the attack. She explained the malware was identified in the City's system and identified as a cyber-crime. At that time, the FBI was notified. It appears the malware encrypted all data on the City's network, however, there are no indications any information, data, or files have been removed. Cyber-attackers use encryption to lock down data and then require a ransom to provide the decryption key. She stated the City has not yet determined what is being demanded to unlock the City's data. Response focus has been on securing the system and protecting the system from further compromise.

Ms. Doom explained she cannot go into further detail outside of Executive Session regarding the cyber-crime law enforcement portion of the situation, as it is an open and active investigation. She explained City staff are doing everything in their power to ensure as little disruption to City services as possible, provide timely updates to the community, and get the City back up and running again. Mr. Matthew Osburn, City IT Director, reiterated City dispatch is still able to answer 911 calls and emergency services continue to be fully operational.

Ms. Doom stated the 2019 budget year includes a significant upgrade to the City's IT infrastructure. Following the cyber-attack, there is a clear need to fast track some of that project to ensure the City is both back to full operation and also protected from future vulnerability.

Council Member Shirrell asked how McAfee is involved in response to the situation. Mr. Osburn explained the City has an enterprise level contract with McAfee. His staff sent McAfee sample files to analyze and help with the addressing the issue. Council Member Shirrell asked if there was any contractual liabilities for McAfee. Mr. Osburn stated the contract with McAfee is service based, not liability based.

Mayor O'Neil asked how, in the coming days, Valdez residents would experience the after effects of the attack. Ms. Pierce stated utility and tax bills should continued to be paid, however account inquiries are limited and paper receipts are being issued. Suspension of City services and late fees are being waived for the near future. City staff have limited to no access to computers and email.

Council Member Shirrell asked if the City has a paper record system. Ms. Pierce explained most City records, such as contracts, had paper back-ups. However, information for accounts receivable and accounts payable are managed through an electronic software program called Caselle, which is currently offline.

2. Approval To Go Into Executive Session Regarding Status of Law Enforcement Investigation

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve going into Executive Session regarding status of law enforcement investigation. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

IV. EXECUTIVE SESSION

City Council transitioned into Executive Session at 7:14 p.m.

V. RETURN FROM EXECUTIVE SESSION

City Council transitioned out of Executive Session at 8:15 p.m.

VI. REPORTS

1. Emergency Procurement Authorization

VII. ADJOURN

There being no further business, Mayor O'Neil adjourned the meeting at 8:16 p.m.