



Town of Wayland Massachusetts

Finance Committee

Tom Abdella
Carol Martin

Gordon Cliff
Bill Steinberg

Nancy Funkhouser (Chair)
David Watkins (Vice Chair)

Gil Wolin

Meeting Minutes of September 21, 2015

Attendance: T. Abdella, G.Cliff, N. Funkhouser, C. Martin (remotely), B.Steinberg, D. Watkins, G. Wolin and Finance Director Brian Keveny.

I. Call to Order

The meeting was called to order at 7:00 PM in the Senior Center of the Wayland Town building. Notification was given that the meeting was being audio and video taped. C.Martin was participating remotely due to geographic distance.

II. Public Comment

- Mark Hays, Sylvan Way – presented opinion and handouts (Exhibits B & C) on Town wide IT Security Upgrades. Believes more than the three items currently requested for 2015 STM are needed and should be added to the warrant article. Extended discussion with D.Watkins on background issues and viability of implementation. Additional discussion and handout (Exhibit D) on upgrading the Towns' email software and estimated cost of \$21k. Additional discussion between B.Steinberg and D.Watkins re: who on the Town staff is involved with IT management.
- Anette Lewis, Claypit Hill Rd – commented on 2015 STM article concerning acquisition of the "Municipal Pad". Asked FinCom to be clear in the article write-up as many depend on the warrant for an understanding of the issues. Asked for clarification on: lease vs purchase; which parcels are included; and the exact signatory to the "Development Agreement" (Board of Selectmen, not Town Meeting).

III. Review of Final Drafts of Articles Discussed Previously

Article "D" Amendment to Minuteman Regional Agreement. Discussion deferred to a later meeting.

Article "E" Acquire Municipal Parcel in Town Center. Discussion lead by B.Steinberg. Questions on: Does option expire? A:No; Is there a loss of tax revenue? A: No – revenue neutral; Status of Raytheon deed restriction? A: There is a restriction on daycare and housing uses. There are ongoing discussions with Raytheon to lift the restrictions; Why lease vs. buy – could we end up with a building we don't want to use? A: Some discussion – will provide clarification in revised write-up. Further discussion on text edits and word usage, pro/con

arguments, potentially controversial text, and use of LSP name. There were public comments from Frank Krasin, Edgewood Rd, member of the Community Center Advisory Committee, who spoke on 1) not stating the exact land use proposed – this is to be the subject of a future warrant article, and 2) the actual motion is still being developed. Linda Segal, Aqueduct Rd – suggests replacing “clean” and “safe” with “suitable”. No vote taken.

Article “H” Acceptance of Chapter 71 Section 71E. C.Martin led discussion. No vote yet by School Committee. Discussion deferred to a later meeting.

Article “I” Appropriate Funds for Library Planning and Design. Discussion led by B/Steinberg on history and background of article. Presentation by Aida Gennis, Wayland Hills Rd, Chair of the Board of Library Trustees, and Ann Knight, Library Director, on history of the Library Planning Committee, interrelationships with the Massachusetts Board of Library Commissioners, and process to develop the estimate cost for the warrant article. There were questions and answers from FinCom. Further FinCom discussion on text edits and word usage, pro/con arguments. Moved, seconded, and voted 7-0-0: Abdella - Yes, Cliff - Yes, Funkhouser - Yes, Martin (remotely) - Yes, Steinberg - Yes, Watkins - Yes, Wolin – Yes.

Article “K” Resolution Regarding Surface of Rail-Trail in Wayland. T.Abdella led discussion on revised write-up with new information regarding adequacy of currently authorized funding to complete the proposed surface layer. Moved, seconded, and voted (Roll Call) approval 7-0-0.

Article “M” Permanent Municipal Building Committee Involvement in Stone’s Bridge. Restoration G.Cliff led discussion. Handout (Exhibit E) provided. Conversations with petitioner, and members of the PMBC and Historical Commission provide a general agreement that the article is a generally good idea. There is some uncertainty about the wording, especially regarding item “b” concerning the quantum needed to approve invoices. Vote deferred to a later meeting.

Article “N” Amend Chapter 36 of Current Bylaws (36-1). G.Cliff led discussion. Awaiting Petitioner comments. Vote deferred to a later meeting.

Article “L” Appropriate Funds to Update the Open Space and Recreation Plan. T.Abdella stated the write-up had been revised as requested at the previous FinCom meeting.

N.Funkhouser stated that other articles voted on last week will be re-reviewed and voted again at the next meeting to allow additional public comment. Next week will be the final week for FinCom votes on the 2015 STM articles.

IV. Liaison & Members’ Reports, Concerns, and Topics

- a. G.Cliff – requested a discussion at a future meeting on warrant article write-up process and format.

V. Chair's Update

- a. Review of Draft Meeting Minutes from August 31, 2015 – comments provided to B.Steinberg by G.Cliff and C.Martin. Moved and seconded to accept the Aug 31 minutes as amended, voted 5-0-1: Abdella - Abstained, Cliff - Yes, Funkhouser - Yes, Martin (remotely) - Yes, Steinberg - Yes, Watkins - Absent, Wolin – Yes.
- b. Meeting Schedule – next meeting Sept 28; the Oct 5 meeting is cancelled.

VI. Adjourn

The Committee moved, seconded and voted 7-0-0 to adjourn (9:30pm): Abdella - Yes, Cliff - Yes, Funkhouser - Yes, Martin (remotely) - Yes, Steinberg - Yes, Watkins - Yes, Wolin – Yes.

Respectfully submitted,
/s/ Tom Abdella

Exhibits:

- A. Agenda
- B. M.Hays Handout – Letter of September 21, 2015
- C. M. Hays Handout – Letter of April 8, 2015
- D. M. Hays Handout – “Exchange” SW Comparison
- E. G.Cliff Handout – Article “M”



Town of Wayland Massachusetts

Finance Committee

- Tom Abdella
- Carol Martin
- Gil Wolin
- Nancy Funkhouser, Chair
- Bill Steinberg
- David Watkins
- Gordon Cliff

AGENDA

Monday, September 21, 2015, 7:00 pm.
Town Building

Note: Items may not be discussed in the order listed or at the specific time estimated. The meeting may be broadcast and videotaped for later broadcast by WayCAM and may be recorded by others.

7:00 Call to Order

7:01 Public Comment & Members' Response to Public Comment

7:10 Review final drafts of articles discussed previously
Discussion and Vote STM 2015 article recommendations

8:45 Liaison & Members' Reports, Concerns, and Topics

9:00 Chair's Update
8-31-15 Draft Minutes review and vote
9-8-15 Draft Minutes review and vote
Items the chair did not reasonably anticipate would be discussed at the meeting
Meeting Schedule: 9/28/15, 10/19/15

9:15 Adjourn

9/21/15

Exhibit B

To: Wayland Finance Committee

41 Cochituate Road
Wayland ,MA 01778
Phone: 508-358-7755
FAX: 508-358-3627

From: Mark Hays

Phone: 508.276.1766
Cell: 508.661.9733
Email: MarkAllenHays@Gmail.com (best bet)

RE: Critical digital security upgrades – not included for Town Meeting

Date: 21 September, 2015

Dear FinCom members:

Following two breaches and near-theft of \$4 million last January, Wayland retained McGladrey, a respected IT consulting company, to review Wayland IT systems, security and management. Their final report is due in October, shortly before Town Meeting.

Given the importance of the data breaches, however, McGladrey delivered an "interim" report on 26 August that included a list of security fixes -- so Wayland could plug critical security gaps without waiting for the final report. This resulted in a funding proposal from Leisha Simon, dated 16 September, to fund four IT upgrades, which was delivered to Wayland Town administration and FinCom. Three of the IT upgrades in Ms. Simon's proposal are related to IT security.

There are three problems with this approach:

(1) Ms. Simon did not include, and did not mention, the rest of the 'high priority' security upgrades recommended by McGladrey. According to Paul Stein, no one shared a copy of McGladrey's recommendations with him. The Wayland BoS apparently did not receive a copy. So Wayland senior management is uninformed. They saw a list of upgrades from Ms. Simon, the reference to McGladrey's interim report and meeting, and could reasonably think, "They've got it covered."

(2) Wayland voters will not have sufficient time to review McGladrey's security upgrade list if we wait until the 'final' report is released -- even though the 'interim' version was evidently sufficient for Ms. Simon's review and the CIP funding proposal.

(3) Most important, critical security upgrades will be delayed until the summer of 2016, best case, if they are not funded in this TM session. This is contrary to the recommendations from McGladrey, McCann, me, the DHS, DOE, SANS and every leading digital security authority.

Confidential data for tens of thousands of current and former Wayland citizens, students, teachers and employees are at grave risk. What if there is another breach? Imagine what the plaintiff's attorney could say in front of the jury, "They knew, but"

With over \$1 million in free cash, "Wayland could not afford it" is not an excuse either.

What should be done? We can quickly put together a budget for the most important security upgrades, just like the budget I helped to create for new firewalls. This budget can be added to the existing CIP. Following approval at Town Meeting, a competitive RFP would be used to select the product and supplier.

Like the new firewalls, implementation will include onsite configuration assistance and training from the vendor, to get the new solutions up and running quickly. Some security upgrades will automate manual processes and reduce the daily load on Wayland IT staff, e.g. endpoint security and patch management – the cause of the breaches last January.

I will be happy to assist with this process. Please let me know if you have any questions.

Thanks,

A handwritten signature in blue ink, appearing to be 'Mark Hays', with a stylized flourish extending to the right.

Mark Hays

CONFIDENTIAL: Wayland Data Breach Cause and Cure

8 April, 2015

To: **Nancy Funkhouser**
Wayland Finance Committee
41 Cochituate Road
Wayland ,MA 01778
Phone: 508-358-7755
FAX: 508-358-3627
NancyFunkhouser@verizon.net

From: **Mark Hays**
Phone: 508.276.1766
Cell: 508.661.9733
Email: MarkAllenHays@Gmail.com (best bet)

Dear Ms. Funkhouser:

I received additional information from the FBI / DHS about the malware used to seize control over the computer in the Wayland Treasurer's office. Here are some key points:

- **Delivery:** Cybercriminals used 'bots' to broadcast spam with a weaponized PDF file attached, and a message designed to entice the user to click on and open the PDF file.
- **Attack:** As soon as the PDF file is opened, the malware payload tries to exploit a vulnerability in old versions of Adobe Reader that have not been patched. If Adobe Reader is cracked, more malware is automatically loaded to seize control of the computer. The cybercrime team receives a 'successful breach' alert and steps in to move the attack forward, e.g. to launch a transfer of funds to their bank account.
- **Cause:** A standard patch management system was not installed on the Wayland network, as I recommended in 2012. As a result, an Adobe security patch released in 2013 was not automatically applied to every PC. This is not an isolated mistake; many security patches have not been promptly applied for years. The problem remains unsolved.

Did someone in the Wayland Treasurer's office click on the wrong email attachment? Yes. Should this have caused a problem? No.

- **Extent:** Every Wayland computer was vulnerable to similar attacks. What happened in the Treasurer's office could have occurred anywhere on the Wayland network.
- **Damage:** Dyre attacks typically focus on trying to raid the victim's bank account. This cybercrime team succeeded with their malware attack – but did not make off with \$4 million Wayland taxpayer dollars thanks to the quick reaction of UniBank's fraud team.

After this Wayland PC was initially compromised, however, the cybercrime crew was free to explore the Wayland network, look for confidential information to steal, find more weak points to use later, infect more Wayland PCs, etc. Significant additional damage may have been done – but cannot be assessed as noted below.
- **Unknowns:** What payload did these cybercriminals install? Did they explore the Wayland network and steal data? There is very little evidence to examine because (a) the Wayland IT team made the mistake of 'wiping' the infected PCs, and (b) no intrusion detection system was running to detect and track this attack. No one can be confident that Wayland data was stolen – or not.

Next steps:

1. **Fix it** Wayland needs to install a standard patch management system immediately. The cost will be ~\$10K to ~\$20K depending on the vendor. There is no need to wait for the Elysium report and more analysis; this is a basic, high risk problem that needs to be fixed now.
2. **Watch** We should watch for incidents of identity theft that impact Wayland residents. Geoffrey Miller recently reported, for example:

My wife discovered after filing our taxes that her SS # had been compromised. When she went in the Wayland Police she was told 5 other people in Wayland had been compromised in the same week. I hardly think this is a coincidence!

Wayland Police should provide a log of all reports of identity theft. A notice should also be posted on the Wayland website, asking residents to report suspected identity theft.
3. **Upgrades** This is only the first of a series of essential security upgrades, as noted in my previous email.

Please let me know if you have any questions. I would be happy to meet with you or a representative of FinCom to discuss the details.

Thanks,

Mark Hays

Important note: Copies of this document should NOT be transmitted via email or shared publicly as part of the public record. Information about the lack of patch management would be very useful to hackers – even though bad actors worldwide are already aware of the previous breach, with Wayland on their target list. That’s another key reason to move fast to install a patch management system. They’ll be back.

CC: BoS, FinCom and TTF tech group members, Nan Balmer and Dr. Stein

9/21/15

Exhibit D

Exchange Online U.S. Government Plan 1	Exchange Online U.S. Government Plan 2	Office 365 U.S. Government E1	Office 365 U.S. Government E3	Office 365 U.S. Government E4
--	--	----------------------------------	----------------------------------	----------------------------------

Full, installed Office applications Word, Excel, PowerPoint, Outlook, Publisher, and OneNote on up to 5 PCs or Macs per user ¹

Office on tablets and phones for the full, installed Office experience on up to 5 tablets and 5 phones ¹

Online versions of Office including Word, Excel, PowerPoint, and more

File storage and sharing with 1 TB storage/user ¹

Business-class email, calendar, and contacts with a 50 GB inbox ¹

Unlimited online meetings, IM and HD video conferencing. Includes Skype for Business app ¹

✓ (plus Access)

✓ (plus Access)

✓

✓

✓

✓

✓

View attachments only View attachments only

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

✓

Intranet site for your teams with customizable security settings



Corporate social network to help employees collaborate across departments and locations



Personalized search and discovery across Office 365 using the Office Graph



Enterprise management of apps with Group Policy, Telemetry, Shared Computer Activation



Self-service Business Intelligence to discover, analyze, and visualize data with Excel



Compliance and information protection Legal hold, rights management, and data loss prevention for email and files



eDiscovery Center tools to support compliance



Voicemail Hosted voicemail support with auto attendant capabilities



Unified communications to make calls using a PC and enhance or replace a PBX phone system with the enterprise calling capabilities of Skype for Business Server 2015 



User maximum

Unlimited

Unlimited

Unlimited

Unlimited

Unlimited

Article xx: Permanent Municipal Building Committee Involvement in Stone's Bridge Restoration

Sponsored by: Petitioners

Est. Cost: \$0.00

To determine whether the Town will vote to:

- a.) Request that the Board of Selectmen assign the Permanent Municipal Building Committee ("PMBC") to consult on the restoration of Stone's Bridge
- b.) Require that the PMBC vote and approve (by a 2/5 vote of the permanent members) before any of the funds appropriated (in the 2015 Town Meeting) for the restoration of Stone's bridge are expended.

PETITIONERS' COMMENTS:

Stone's bridge is one of the historical treasures of Wayland. In the 1940's the Historical Commission rallied public opinion to force the state to preserve the bridge. In the last town meeting, the town voted to appropriate funds to start the restoration of Stone's bridge to preserve it for the next 100 years.

There is a finite amount of money available to restore Stone's bridge. We owe it to the town to make sure we do everything possible to efficiently spend the allocated money, and to spend the money in a manner which best preserves, within our financial constraints, the historical legacy of the bridge.

Restoring the bridge is large and complicated task. The Historical Commission has no experience in large municipal building projects. The PMBC is a standing committee made up of volunteers with extensive experience and contacts in the building industry. They have been extremely successful with the previous town projects they have been involved in.

Involving the PMBC, and following the procedures which they have established, is the best way to make sure that the Stone's bridge restoration is successful.

FINANCE COMMITTEE COMMENTS:

The PMBC is widely regarded as having played a very valuable role in recent major building projects. According to the PMBC's Policies and Procedures, certain projects are not required to come before the PMBC for review, but project sponsors may request PMBC review and involvement with permission of the Board of Selectmen. In this case, the idea to get the PMBC formally involved first came from the Petitioner's article.

The Historical Commission is currently in charge of overseeing the Stone's Bridge restoration project. Based on the discussion at the PMBC meeting on September 16, the Historical Commission is encouraged that the two entities could work together on this project and is planning on going forward with requesting that the Board of Selectmen assign this project to the PMBC. PMBC currently only has one way to "review" projects, and there may be a need to develop a modified approach if it is only to be "consulted".

Most of the parties involved seem to believe that the language under part b) of this article is not appropriate and should be deleted. Petitioner has indicated that b. is likely to be either dropped or amended.

ARGUMENTS IN FAVOR:

- The PMBC has provided enormous value in past projects it has been involved in.
- The PMBC understands that each project is different and that this project in particular has unique aspects that need to be factored in to key decisions

ARGUMENTS OPPOSED:

- This project is different than projects PMBC has been involved in previously.
- The PMBC and Historical Commission may end up having different views on key decisions and the project could get delayed or become controversial as a result

FINANCE COMMITTEE RECOMMENDATION: The Finance Committee..... Vote x-x-x.

QUANTUM OF VOTE: Majority [*M.Lanza to provide citation*].

For more information about this article, contact Duane Galbi at 781 899-0378