




# INFORMATION REPORT

<b>TO:</b>	Chair and Members General Issues Committee
<b>COMMITTEE DATE:</b>	November 20, 2024
<b>SUBJECT/REPORT NO:</b>	Cybersecurity Incident Costing Update (CM24005(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Kirk Weaver (905) 546-2424 Ext. 2878
<b>SUBMITTED BY:</b>	Mike Zegarac Emergency Operations Centre Director
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

Not Applicable

## INFORMATION

At the meeting of the City Council on August 16, 2024, Report CM24005 provided an overview of the cybersecurity incident, the costs incurred to July 24, 2024, the impact on services and technology and identified next steps. Staff has committed to providing regular updates to Council on the costs incurred in response to the cybersecurity incident. Report CM24005(a) provides an update on costs incurred to October 11, 2024.

The City's focus has moved from immediate Response to the Recovery, Restore and Rebuild / Transform Phases. Building back stronger is being done with a focus on the customer and employee experience, enterprise solutions, efficiency and increasing resilience to protect against future incidents.

**SUBJECT: Cybersecurity Incident Costing Update (CM24005(a)) (City Wide) –  
Page 2 of 3**

---

All goods and / or services acquired during the Emergency Operations Centre (EOC) activation, to date, have followed City policy and procedures, including the Procurement Policy. The financial impacts are being tracked across the four phases: Response, Recovery, Restore and Rebuild / Transform. It is important to note that some financial impacts may cross more than one of these phases. However, for the purposes of simplifying reporting, financial impacts have been assigned to the most relevant phase.

Tables 1 and 2 summarize the financial impacts related to this incident that have been invoiced as of October 11, 2024, by phase and cost category. The total cost incurred to date is \$9.6 M. There may be additional invoices still to be received for some items that will be included in future reports. The previous Report CM24005 reported costs of \$7.4 M up to July 24, 2024 and represented estimates and commitments known at that time. Refinements to which phase and cost category items belong in have been made, as needed.

**Table 1  
Cybersecurity Incident Preliminary Financial Impact  
By Phase**

Phase	Cost Categories	Estimated
Response	<ul style="list-style-type: none"><li>External Experts</li><li>Other Related Costs</li></ul>	\$2,450,312
Recovery	<ul style="list-style-type: none"><li>External Experts</li><li>Infrastructure</li><li>Staffing</li></ul>	\$2,835,878
Restore	<ul style="list-style-type: none"><li>External Experts</li><li>Infrastructure</li></ul>	\$2,016,801
Rebuild / Transform	<ul style="list-style-type: none"><li>External Experts</li><li>Infrastructure</li></ul>	\$2,317,671
<b>Total</b>		<b>\$9,620,662</b>

**Table 2  
Cybersecurity Incident Preliminary Financial Impact  
By Cost Category**

Category	Estimated
External Experts	\$7,014,223
Infrastructure	\$1,143,011
Staffing	\$1,101,877
Other Related Costs	\$361,551
<b>Total</b>	<b>\$9,620,662</b>

Response Phase financial impacts relate to the City’s efforts to protect systems and to provide services with as little disruption as possible in the initial period following the cybersecurity incident. Examples include the purchase of additional storage server capacity and equipment, such as, printers and cell phones to facilitate service continuity during the initial response period.

Financial impacts for the Recovery and Restore Phases include activities related to the testing, restoration and recovery of the various systems impacted. Future financial impacts in this area are anticipated.

The financial impacts of the Rebuild / Transform Phase include rebuilding applications and data, redesigning to meet the needs of business areas and migration to future state infrastructure that is responsive to customer needs and provides improved user experiences. Future financial impacts in this area are anticipated.

The annual operating costs and capital project costs in Tables 1 and 2 will be absorbed in the 2024 budgets and reported to Council in future budget variance reports with applicable funding from any available 2024 year-end surplus, existing capital work-in-progress projects or reserves, where available.

**APPENDICES AND SCHEDULES ATTACHED**

None