

**LAKELAND LIBRARY COOPERATIVE**  
**ILS Council Meeting**  
**August 10, 2017**  
**Kent District Library Service Center**  
***Official Minutes***

The meeting was called to order at 10:45 a.m. by Chair Laura Powers. The roll call and sign in sheet was circulated.

**Public Comment:** None

**Motion** by Janice Williams to approve the agenda. Seconded by Hope Nobel. Motion carried by unanimous vote.

**Motion** by Molly Walker to approve the minutes of the June 8, 2017 meeting. Seconded by Laura Ortiz. Motion carried by unanimous vote.

**Board Report:** Teresa Kline gave a summary of the highlights of the Board meeting that occurred prior to this meeting. The Board approved distribution of Continuing Education monies to member libraries in the coming year. This was Sandra Wilson's last official meeting. She will work part-time in the interim during the new director search. Lakeland will host an open house for Sandra on Wednesday, August 30, 2017 from 4:00 – 6:00 p.m. Staff members at Lakeland member libraries are invited to join us.

**Cooperative Directors Report:** The written report was included in the packet. There were no questions. The Director's report also included two reports on Linked Data that were distributed in the packet. The first report was on a statewide shared ILS directors with the State Librarian and MCLS Executive Director. The second report came from KDL and their experience with Linked Data.

**Committee Reports:**

**Circulation Forum:** The minutes of the May 24, 2017 meeting were included in the packet. The July meeting was cancelled. Next meeting will be September 27, 2017 at Herrick District Library.

**Old Business:**

- a. **Cyber Security:** The packet included several items for information that were either part of the packet or sent out by separate email prior to the meeting.

Nathan Covey and Tim Foody from Risk Placement Services in Chicago, IL gave a presentation on the proposed Cyber Security insurance policy. They are working with Lakeland's insurance agent to provide us with this insurance policy. They gave an overview presentation of the coverage proposed in the policy and how it might apply to Lakeland and its members and had a time for questions following the presentation. They provided a brief handout with the outline of their presentation which will be sent out in email following this meeting.

The proposed policy would protect Lakeland in the case of someone mishandling customer and client information as well as provide a protection to systems from hacking activities. There are several parts to the coverage including privacy liability, regulatory penalties, security breach response, security liability, media liability, extortion attempts, business interruption/data restoration services, PCI (Payment Card Industry) assessments, and cyber deception. They gave examples of each aspect of the coverage as it applies to each of these areas.

Kelly Richards asked about DNS compromises and whether these types of issues are covered under the policy. He gave an example from a previous employer that resulted in a large staff cost for restoration because of the resulting blacklisting by many websites. The policy covers traditional business interruption costs and this would be considered a cyber event which incurred downtime. The policy also covers harm to reputation. This proposal offers a “betterment” provision which includes restoration of systems up to the time of the interruption plus 25% additional to insure that the system is where it was before.

Claire Sheridan asked about the cyber deception coverage where someone might receive an email claiming to be someone else. What would happen if such deception actually led to bank account access and transfer of funds? This type of loss would be considered criminal rather than fraudulent under the policy and they would not replace the stolen money. The real value of this policy is that it would cover the forensic work and the expertise needed in the criminal investigation. Kelly Richards asked about the line between what is criminal and what is fraudulent and how that is determined. There is a middle area where cyber deception meets crime. The crime is when something physical is stolen. Cyber liability covers the proprietary rights to that physical item.

Melissa Huisman asked how local internet access policies signed by patrons enter into this type of policy. This is where patrons agree not to commit a crime with a library computer. The policy would cover all costs associated with the determining the source and perpetrator of said crime.

Thom Riley discussed the differences between this type of blanket policy with very few questions asked and those policies that are very specific, requiring answers to pages of questions, monthly audits and detailed information about internal controls. This blanket policy asks a few basic questions about backups and security software along with financial revenue information. Nathan noted that since the blanket policy asks few questions, they can respond with the fact that there is no data collected. The only way to back out on a claim is for Lakeland to not pay the bill for the policy. If it turned out one member stated that they have backups and security and it turns out they don't, the company could pull back on the business interruption coverage. The question was asked about why the company needs library revenue. The revenue is needed in order to calculate the revenue exposure in the event of some type of breach.

They provided a recent example where a library system they work with received a ransomware attack. Their policy covered the bitcoin payment and restoration of access. Generally this type of process takes 24 – 48 hours. If access is not granted after the bitcoin payment, the policy would cover file restoration dependant on the existence of the appropriate backup files. They have not had this type of occurrence.

There was a question about purchasing this policy and libraries that may already have their own coverage under another policy. This policy would be set up to cover those who need it with the ability to add those who already have a policy at the expiration of their existing policies.

The group asked for three references from similar organizations that have had claims paid by Risk Placement Services recently. Those will be provided to Sandra Wilson.

There was a question about the required backups and their extent. There are no specific backup requirements in the policy other than that a backup is performed once a week and stored offsite. If there is an incident and there are no backups, then there is nothing to be restored and the policy would not cover the loss of data. The more that is backed up the better but it remains a local decision. The company can only restore the data that has been backed up.

In the event of a large scale breach (i.e. patron data), costs to contact/notify those patrons could approach as much as \$250 per person. The purchase of this type of policy can drive the cost per person down significantly by aggregation.

The group had questions which need to be addressed as we continue looking at purchase of a cyber insurance policy. From a legal standpoint, who owns the ILS? What are Grand Rapids Public Library and Kent District Library doing in this regard? Are there other companies that offer this type of policy and are other quotes available?

**Motion** by Claire Sheridan to move forward with Lakeland and interested member libraries' obtaining a quote for the policy as it was presented at this meeting. Seconded by Kerry FitzGerald. Motion carried by unanimous vote.

At the same time a second motion was made to explore the legal issues surrounding this policy.

**Motion** by Claire Sheridan to have the Lakeland attorney review this proposed policy and answer the questions raised by the ILS Council at the end of this discussion. Seconded by Kelly Richards. Motion carried by unanimous vote.

Sandra Wilson noted that in regards to the quotes, she used revenue as reported to the Library of Michigan in the last state aid reports to get the initial cost estimates for the policy.

The group appointed a committee to review the responses and other quotes. The committee will consist of Sandie Enders (MADL), Claire Sheridan (OS), Sheryl VanderWagen (LL) and Thom Riley (LL). They will submit a report at the October meeting.

At this point, the time was 12:30 p.m. and Laura Powers asked those present about finishing the agenda. The consensus of the group was to wrap up today's meeting and set a special meeting later this month to complete the agenda.

Diane Kooiker noted that the quote for Collection HQ could be extended and that current subscribers could proceed with renewal and be credited based on the decision made by the participants. There was a question about the III product, Decision Center which was not part of this investigation. The membership expressed a desire to see that product before a decision is made.

The next meeting of the ILS Council will be a special meeting on August 22, 2017 at 10:00 a.m. Dennis Carter, our III Sales Consultant is planning to be in town to meet with VanderWagen that day on another matter. She will contact him about doing a Decision Center demo for the group as well.

Sandra Wilson requested that before adjourning the meeting, the group appoint a committee to evaluate the ILS Consultant proposals which are due on Friday, August 11, 2017. The group appointed Hope Nobel (ML), Mattie Cook (IL), Rob Bristow (OA) and Sandie Enders (MADL) to serve with Sheryl VanderWagen and Thom Riley on the committee.

Laura Powers thanked Sandra Wilson for her service to Lakeland.

The meeting was adjourned at 12:39 p.m.

The next meeting will be August 22, 2017 at 10:00 a.m. at the KDL Service Center to complete the published agenda and have the Decision Center demo.

Respectfully submitted

Sheryl VanderWagen, ILS Manager