

*Intergovernmental Cooperation Authority for Harrisburg
Minutes of the Governing Board Meeting
December 18, 2019
Temple University Harrisburg, 234 Strawberry Square
Harrisburg, Pennsylvania 17201
hbgica.org*

Members Present	Ms. Audry Carter, Mr. Douglas Hill, Ms. Kathy Speaker MacNett, Ms. Tina Nixon, and Mr. H. Ralph Vartan	
Ex-Officio Members Present	Mr. John Raymond and Mr. Bruce Weber were absent	
Staff Present	Jeff Engle, Esq., Independent General Counsel, and Mr. Jeffrey Stonehill, Authority Manager	
Call to Order	Ms. Carter called the meeting to order at 4:01 p.m.	
Approval of November 20, 2019 Minutes	Mr. Stonehill presented the Minutes, which had been reviewed by Ms. Nixon, the Secretary/Treasurer; on a motion to approve by Ms. Nixon, seconded by Mr. Hill.	Minutes; approved 4-0
Review of Bills Paid	Mr. Stonehill reviewed the bills paid since the last regular meeting of the Authority and presented the balance from the Authority checking account. Mr. Stonehill indicated that the Year Two allocation from the Pennsylvania Department of Community and Economic Development had just arrived.	
Presentation of the Authority Year One Financial Statement from the Independent Auditor	Mr. Stonehill reviewed the Year One Financial Statement and Audit from the Independent Auditor, Zelenkofske Axelrod, for the year that ended on June 30, 2019. Mr. Stonehill pointed out that there were very few transactions in Year One, as the Authority did not receive its Year One allocation from the Commonwealth until the year was almost completed. As required by Act 124 of 2018, a copy of the Financial Statement will be published in the PA Bulletin.	
Report of the Chairperson	<p>Ms. Carter noted that the City of Harrisburg has approved its 2020 Budget. It was submitted less than a week after the previous Authority meeting.</p> <p>She added that a number of Authority members have been attending various public meetings attempting to absorb information. The Authority will address the budget shortly.</p> <p>Ms. Carter provided an update on the status of the Intergovernmental Cooperation Agreement. She noted that the parties have still not finalized an agreement. She added that at the request of the City, it is the plan to address the agreement in January 2020.</p> <p>An incredible amount of work on other issues impacted the time of the City Solicitor, which is the reason for the delay</p>	

	<p>Ms. Carter indicated that the Authority had received a letter from Mayor Papenfuse indicating that the adopted 2020 Budget was inconsistent with the Five-Year Financial Plan previously submitted and received by the Authority.</p> <p>Ms. Carter indicated that the Five-Year Financial Plan will be updated and approved by the Authority by June 30, 2020. The parties will begin workshopping the update beginning in January with a goal of producing a first draft by April 2020.</p> <p>The next item on the agenda was discussion about a number of items that require the Authority's attention, with the hope is that the Authority, at the end of that discussion, can accept the Mayor's letter.</p>	
<p>Report of the Authority Manager</p>	<p>Mr. Stonehill informed the Authority that there were several items, which required the Members' attention; given it is the last meeting of the City's fiscal year.</p> <p>Mr. Stonehill reported that as of the previous evening, the 2020 Budget of the City of Harrisburg was approved by City Council.</p> <p>Mr. Stonehill indicated that the first item that require action by the Authority is the 2020 Operating and Capital Budget.</p> <p>Mr. Stonehill reported that the second item that require action by the Authority is the proposed AMBAC Rate Sheet. It was Mr. Stonehill's understanding that City Council approved the terms of the proposed rate sheet, and action by the Authority is necessary.</p> <p>Mr. Stonehill reported that the third item that requires attention by the Authority is the proposed Fraternal Order of Police (FOP) collective bargaining agreement. Mr. Stonehill indicated his understanding that the agreement was approved in principle by City Council, but that a final collective bargaining agreement document still needs to be drafted.</p> <p>Mr. Stonehill reported that the last issue that requires Authority action is the intermunicipal agreement between the City of Harrisburg and the Borough of Steelton for sanitation, which was approved by City Council and the Borough Council of Steelton.</p> <p>Ms. Carter indicated that Authority members were in attendance at the various meetings where these items were presented to City Council. She opened discussion.</p>	

With respect to the proposed AMBAC rate sheet, Ms. Carter questioned if the exact payments associated with the proposal were determined yet. Mr. Stonehill noted that he had received general support among Authority Members for the deal.

Mr. Stonehill noted that it was a goal of the Authority to rehabilitate the credit worthiness of the City of Harrisburg.

Mr. Vartan asked a question about the remaining debt with AMBAC following the proposed settlement. Attorney Neil Grover responded.

Mr. Vartan asked a question about the impact of these items on the Mayor's Five-Year Financial Plan and the fact that the items were inconsistent with the adopted plan. Mr. Stonehill replied that the City had acknowledged the inconsistency and the Mayor had therefore acknowledged in writing his plan to submit an update to the plan in Spring 2020.

Mayor Papenfuse acknowledged that the Act does have language about the budget being inconsistent and then the Authority can accept the budget as an amendment to the Five-Year Financial Plan. He noted that a new plan will be proposed in the next cycle.

Ms. MacNett asked a question about Commonwealth Court approval of the AMBAC rate sheet. Mr. Grover responded that the original agreements were approved and executed under a court order; and, therefore once approved by City Council and AMBAC, the final agreement would be submitted to the court as an amendment. Ms. MacNett noted the submittal could indicate the support of the Authority.

Mr. Stonehill stated that the Authority had an opportunity to review the proposed Collective Bargaining Agreement with the FOP and indicated that the Authority Members had provided positive comments.

Ms. MacNett asked a question about whether the dollars in the proposed FOP contract were greater than the costs reflected in the current Mayor's Five-Year Finance Plan. Mayor Papenfuse indicated that the incremental increase in costs associated with the agreement would be about \$1 million per year in the first year; however, by the time the City gets to the fifth

	<p>year of the Five-Year Plan, the costs will have “leveled out.”</p> <p>Ms. MacNett acknowledged the goal of eliminating attrition from the police department employees as a result of the old collective bargaining agreement and therefore the “front loading” of benefits.</p> <p>Mr. Vartan asked whether the projections of revenue and expenses prepared by Marathon Capital Strategies reflected the proposed FOP contract. Mr. Dan Connelly from Marathon pledged that an updated impact report will be prepared for the Authority.</p> <p>With respect to the Steelton agreement, Mr. Stonehill indicated that the Authority had the opportunity to review the proposed agreement and he did not recall any issues that were raised by the Authority. Mr. Stonehill stated this would be a continuation of the six-month pilot program.</p> <p>If accepted by the Authority, the budget itself becomes an amendment to the Five-Year Financial Plan.</p>	
<p>Discussion Regarding Upcoming City of Harrisburg End of Fiscal Year Items</p>	<p>Ms. Carter requested that the Authority approve, in the form of a motion, the acceptance of the 2020 Operating and Capital Budget, the Collective Bargaining Agreement with the FOP, the AMBAC Rate Sheet Settlement and the Intergovernmental Sanitation Agreement with Steelton Borough with two caveats: first that the Mayor's Five Year Financial Plan needs to be updated by April 30, 2020, to be consistent with these documents; and second, that the ICA authorize the Chair to deliver a summary letter to the Mayor with our observations regarding the budget and these other year-end actions.</p> <p>Mr. Vartan commented that the revenues and expenses should be projected for five years rather than just 2020. Mayor Papenfuse said the updated Five-Year Financial Plan will indicate those items.</p> <p>On a motion by Ms. MacNett and seconded by Ms. Nixon, the motion was approved by the Authority.</p>	<p>Acceptance of Year End Items, with two caveats; approved 5-0</p>
<p>Report of Mr. Marc Woolley regarding the 2018 Audit and Information Technology</p>	<p>Ms. Carter reported that in November 2019, Mr. Woolley and Mr. Weber provided information to the Authority regarding findings in the 2018 Audit. Further, this month Mr. Woolley and Mr. Steve Bortner from the City's Information Technology Department will provide information regarding the City's computer systems.</p> <p>Mr. Woolley distributed a presentation and noted that the City staff meets daily about these issues and there</p>	

is nothing more important to the organization than to find solutions to some of the problems that the City has. Mr. Woolley introduced Mr. Bortner.

Mr. Bortner introduced himself. There were six findings related to Information Technology in the 2018 Audit report.

Mr. Bortner said that the first system to be migrated to a new system will be the Police Department Metro system. The second system will be the Personnel system. The last two systems will be the treasury and Sanitation billing systems, which are a much bigger effort.

The Police will move to a CODY system and, Mr. Bortner explained how the new system will work.

Ms. MacNett asked for basic background about the number of computers, the main-frame, dummy terminals, virtualized servers, and the quantity of standard personal computers in City government.

The personnel software will be provided by PAYCHEX.

Ms. MacNett asked about file security.

Vendors were not yet selected for treasury or utility billing. There are no plans to upgrade General Ledger, Accounts Payable or Accounts Receivable.

Ms. MacNett noted an option to combine Information Technology systems with Dauphin County. Mr. Bortner said he was unfamiliar with that.

Mr. Bortner reviewed the other audit findings. Mr. Bortner noted they have a virtual tape repository in Iowa. Mr. Hill asked whether employees are storing things on their personal hard drives. He also asked about the physical and fire security of the data center. Mr. Vartan asked about cost of external data storage and about the City's written disaster plan update.

Mr. Bortner reviewed the balance of the audit findings related to information technology.

Ms. MacNett asked about telecommuting.

Mr. Vartan asked about an inconsistency between an adopted policy to protect computers from virtual private networks and a finding in the audit. Ms. Carter followed up on that point.

	Mr. Stonehill asked about the upgrade of the Pentamation software upgrades for financial management. Mr. Stonehill asked about ransomware attacks.	
Public Comments	None	
Adjournment	Motion by Mr. Hill, seconded by Mr. Vartan	Meeting adjourned at 5:02 p.m.
Next meeting	The next regular meeting of the Intergovernmental Cooperation Authority for Harrisburg shall be on Wednesday, January 22, 2020, at 4:00 p.m. at Temple University Harrisburg, 234 Strawberry Square, Lecture Hall, Room 246/248, Harrisburg, Pennsylvania 17201.	

Respectfully submitted:

Jeffrey Stonehill, Authority Manager

ICA for Harrisburg

APPENDIX DOCUMENT

**City of Harrisburg
Summary of IT Findings**

Presentation to
Intergovernmental Cooperation Authority

December 18, 2019

City of Harrisburg
Dr. MLK Jr. Government Center
10 North Second Street
Harrisburg, PA 17101



Developing Formal Program and System Change Control Policies and Procedures

Finding: During our testing, we requested documentation supporting changes made to City's IT systems. This documentation could not be provided. We recommend that a comprehensive written policy be developed that outlines all the procedures and documentation required for changes to the City's IT systems and programs. The policy should follow the system development life cycle methodology to include the following:

- Preparation of written requests.
- Approval of the request by management.
- Required documentation standards.
- Testing of the changes, follow-up of discrepancies, and participation and approval by users.
- Procedures for integrating the changes into the production environment from a separate test environment.

We also recommend that documentation be maintained by the City to support any changes made to programs and systems. This documentation should include retention of all documents as noted above and should be maintained for each change made.

Response:

- A process has been developed that memorializes the requested change, the changes made, and who made the changes
- System changes have been kept to a minimum due to current systems will ultimately be retired
- Strategy and focus has been to move away from custom developed systems and migrate to industry standard commercial off-the-shelf (COTS) systems



Providing IT Employee Training

Finding: As previously noted in the December 31, 2005 through December 31, 2017 audits, there is currently limited training scheduled for IT employees. It is extremely important for IT staff to be trained on the hardware and software changes occurring in the City's computer environment. If the IT staff is not trained properly, this could result in vulnerabilities, poor employee performance, and down-time. We recommend that a training schedule be established for all IT staff as the budget permits.

Response:

- The City has evaluated the skills of the current staff members and identified several training areas that should be addressed. The training assessment and recommendation document was completed during the fourth quarter of 2018.
- Options for training have been evaluated including;
 - online,
 - Classroom
 - internal knowledge transfer.



Developing a Technology Disaster Recovery Plan – Network Servers

Finding: There is no written disaster recovery plan for the City’s network servers. In addition, although a written disaster recovery plan exists for the City’s mainframe computer systems, the plan has not been tested since November 2009. In addition, in January 2012, the City terminated its “Hot Site” contract which provided a disaster recovery site along with a set amount of time each year to test the mainframe recovery. Even though the contract was terminated, a recovery site is still available to the City, but arrangements would need to be made to utilize the site each time an event occurs.

We recommend that the City prepare a written disaster recovery plan that covers the network servers under the City’s control and that the plan for both systems be tested periodically.

Response:

- Due to the financial constraints of the City in 2011, the Act 47 Coordinator’s Financial Recovery Plan called for the City to discontinue its contract with its Mainframe disaster recovery services provider and related offsite backup and storage arrangements
- The City has since reevaluated it’s need for disaster recovery services. The City has engaged with external Data Center entities to provide redundancy of our existing Data Center.
- We installed, tested, and implemented a virtual tape server that allows us to backup all Mainframe systems and data to virtual tapes and replicate them to a Data Center in Altoona, Iowa, for disaster recovery purposes.
- We anticipate that the disaster recovery capabilities for the open systems environment to be completed by the end of the 2nd quarter of 2020.



Restoring Backups Periodically

Findings: IT system backups are not periodically restored. To ensure that files are being properly backed up, we recommend that backups be periodically restored.

Response:

- Mainframe virtual tape server solution is complete.
- Backups will be restored by fourth quarter 2020 or first quarter 2021



Creating a Policy for Use of the Virtual Private Network (VPN)

Findings: Some City employees are provided access to the City's network and City applications on their home computers. The City does not require the use of an anti-malware system on these home computers. This increases the risk of a breach of network information. We recommend that the City formalize a policy requiring that each employee who accesses City information on a home computer have some form of anti-malware installed on the computer being used to access City information. This policy should be signed by each employee prior to access being granted to the system.

Response:

- In 2017, The City adopted a Minimum Access Policy that addresses the use of City owned and privately-owned devices that connect to the City's network, and the requirement to have anti-virus software installed on all machines



Converting Vacation Carryover Balances for Firefighters

Findings: As previously noted in the December 31, 2014 through December 31, 2017 audits, based on the City's vacation policy for firefighters, at year-end, accrued vacation is to be converted to holiday pay. During our testing of compensated absences, it was noted that four firefighters had accrued vacation balances at December 31, 2018 that had not been converted to holiday time. In order to ensure that compensated absences are properly reflected for firefighters, we recommend that the City follow its policy as it relates to accrued vacation for firefighters.

Response:

- In 2014, the vacation leave earning rates for new hires changed from 12 to 8 days, with the implementation of the amendments to the Collective Bargaining Agreement approved in late 2013.
- The City plans to convert its leave carryover balances with the migration to the Paychex Personal System in 2020



Office of Mayor Eric Papenfuse
MLK Government Center
10 N. Second St.
Harrisburg, PA 17101
(717) 255-3040

December 18, 2019

Via – Hand delivery

Dear Ms. Carter -

On behalf of the City of Harrisburg, under the provisions of Act 124, if the governing body of a city adopts a budget inconsistent with an approved financial plan, the assisted city shall submit the enacted budget to the authority as a proposed revision to the plan. Please accept this letter as our official submission of the 2020 budget that was approved by City Council last night and was fully executed today.

Sincerely,

A handwritten signature in black ink, appearing to be "Eric Papenfuse", written over a horizontal line.

Eric Papenfuse
Mayor

Summary of Bills Paid – Intergovernmental Cooperation Authority for Harrisburg

Report – December 18, 2019

- | | | |
|---|------------|-------------------|
| • PA Media Group
<i>Legal Advertisement</i> | \$112.77 | November 17, 2019 |
| • Digital Ocean
<i>Website software licenses</i> | \$20.00 | December 1, 2019 |
| • Digital Ocean
<i>Web Host</i> | \$6.57 | December 1, 2019 |
| • Factory 44. Inc.
<i>IT Services</i> | \$1,875 | December 18, 2019 |
| • Shaffer & Engle Law Offices, LLC
<i>Legal services</i> | \$475.00 | December 18, 2019 |
| • MESH PA, LLC
<i>Authority Manager</i> | \$5,250.00 | December 18, 2019 |

Starting balance: \$53,796.80

Ending balance: \$44,531.05

- | | |
|---------------------------|--------|
| • Interest earnings Y-T-D | \$6.81 |
| • Fees Y-T-D | \$ -0- |

