

# PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

## Minutes of the Meeting of the Board

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January 19, 2016

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The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority ("PICA") was held on Tuesday, January 19, 2016 in the PICA Board Room located at 1500 Walnut Street, 16<sup>th</sup> Floor, Philadelphia, Pennsylvania.

### Attendees

Board: Suzanne Biemiller, Michael A. Karp (*via telephone*), Alan Kessler, Joseph McColgan, Gregory S. Rost, and Robert A. Dubow (*ex officio*).

Staff: Harvey M. Rice, Stephen Camp-Landis, and Deidre Morgenstern.

Invited Guests: S. William Richter, Esq., Reed Smith, LLP (*via telephone*); Anna Adams, Budget Director, City of Philadelphia; and Jacqueline Dunn, Chief of Staff, Office of the Director of Finance, City of Philadelphia.

### Call to Order

Ms. Biemiller called the meeting to order at 12:20 p.m.

Ms. Biemiller stated that she wanted to thank Mr. Rice and the staff for organizing the meeting on program-based budgeting held at the Federal Reserve Bank in December.

### Approval of Minutes

Mr. Rost made a motion to approve the minutes from the meeting of November 17, 2015. Mr. McColgan seconded the motion. The motion passed 4-0.

### Executive Director's Report

Mr. Rice stated that staff had completed its report on the *Quarterly City Managers Report* for the first quarter of FY16, and a monthly report on tax revenues. He noted that PICA will host the annual conference on the City's economic and revenue projections at the Federal Reserve Bank on February 11.

Mr. Rice also noted that the PICA *Annual Report* for FY15 was issued in December.

Mr. Kessler joined the meeting.

### **Treasurer's Report**

Mr. Rice stated that PICA operating expenditures to date for fiscal year 2016 are below budget.

### **New Business**

Mr. Rost offered congratulations to Mr. Dubow on his appointment as Director of Finance, and to Ms. Adams on her appointment as Budget Director, by Mayor Kenney. He then asked about the status of the new Five-Year Financial Plan.

Ms. Adams stated that the budget call had been issued this week. She stated that the Administration's goal is to implement a program-based budget by fiscal year 2018. For FY17, any new funding will have to be justified by its relationship to one of the Mayor's goals, and the Five-Year Financial Plan will be structured to reflect the Mayor's goals.

Mr. Rost suggested that in future meetings, the Administration could provide a briefing on the status of changes in the budget process.

Ms. Adams stated that FY17 is the first year that the departments are using the new automated system, Advantage Budgeting, to develop their budget requests. She also stated that the office of the Chief Administrative Officer will be responsible for refining performance measures, and the Managing Director's Office will be responsible for managing to the measures.

Ms. Biemiller asked about the status of resolving assessment appeals by the Board of Revision of Taxes. Mr. Dubow stated that approximately 1,800 appeals were still unresolved, including both the 2014 and 2015 appeals.

Mr. Biemiller asked if a new BRT chair would be appointed soon, and Mr. Dubow indicated that he believed so.

Mr. Kessler asked whether there was any estimate of unreimbursed costs associated with the Democratic National Convention. Mr. Dubow stated that the City would get back to PICA with an answer. He also stated that the impact would occur in FY17.

Mr. McColgan asked how the delay in passage of the state budget has impacted the City. Mr. Dubow indicated that the cash flow impact has been mostly resolved. He also noted that there are still unresolved issues with state funding for the Department of Human Services.

Mr. McColgan asked about the status of Pension Fund investments. Mr. Dubow stated that last fiscal year the Fund's investments returned 1.8 percent, missing the actuarial assumption by a substantial amount. This fiscal year, the Fund is in a defensive posture to reflect the downturn in the market.

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Mr. McColgan asked whether the Administration had been considering the tax proposal of the Philadelphia Growth Coalition. Mr. Dubow stated that the City was considering it. He noted that the Administration's major concern is that the proposal be implemented in a way that does not impact overall revenue.

**Public Comment**

There was no public comment.

**Adjournment**

Ms. Biemiller made a motion to adjourn at 12:35 p.m. Mr. McColgan seconded the motion. The motion passed 4-0.