



For Immediate Release
July 16, 2019

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PICA Board Unanimously Approves City's FY2020-FY2024 Five Year Plan *Kevin Vaughan Re-elected Chair of PICA Board*

July 16, 2019—The Board of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) today unanimously approved the *City of Philadelphia's Five Year Plan for Fiscal Years 2020-2024* (the “Plan”). In approving the Plan, the Board held that the assumptions and estimates in the City's Plan were reasonable and appropriate, and that the Plan projects positive year-end fund balances for the next five fiscal years.

PICA Staff recommended approval of the Plan, based on the following:

- Revenue and expenditure projections are reasonable and appropriate, as required by the PICA Act.
- The City's revenue collections continue to outpace projections. According to preliminary revenue data, FY2019 tax revenues will surpass both the prior year's actual totals, and the originally projected amounts, for almost all taxes.
- The Plan includes the first ever contribution into the Budget Stabilization Reserve Fund (“BSR”) since its enactment in 2011 and continues those contributions in all five years of the Plan.
- The FY2019 year end fund balance is estimated at \$297.6 million, a \$158.2 million increase over what was projected in the FY2019-2023 Plan. The fund balances projected over the life of the FY2020-FY2024 Plan are the highest fund balance projections in recent history.

Although PICA is confident that the Plan is based on reasonable and appropriate assumptions, and year end fund balances are positive throughout the life of the Plan, PICA has identified certain factors that might present risks to the Plan:

- the possibility of an economic recession over the Plan period;
- the projected growth of the BIRT and the Real Estate Transfer Tax;
- funding of the now locally controlled School District of Philadelphia; and
- costs of funding increasing pension liabilities.

In addition, the election for officers of the PICA Board was held, with Kevin Vaughan being re-elected Chair, Alan C. Kessler being elected Vice Chair, Michael Karp being elected Treasurer/Secretary and James F. Cawley being elected Assistant Treasurer/Secretary.



Pennsylvania Intergovernmental Cooperation Authority

Financial Oversight for the City of Philadelphia

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