

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

April 19, 2016

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

Attendees

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

Staff: Harvey M. Rice, Stephen Camp-Landis, Dora Ward, Daniel Esposito, and Deidre Morgenstern.

Invited Guests: S. William Richter, Esq., Reed Smith, LLP (*via telephone*)

Call to Order

Mr. Vaughan called the meeting to order at 12:15 p.m.

Approval of Minutes

Mr. Rost made a motion to approve the minutes from the meeting of March 15, 2016. Mr. McColgan seconded the motion. The motion passed 3-0.

Executive Director's Report

Mr. Rice explained that PICA staff met with the City Solicitor and Revenue Department about the sugar tax. PICA staff has received documents from the City regarding the proposed tax and is looking over the materials as part of its Five Year Plan review process.

Mr. Rice also stated that PICA staff met with the Office of Property Assessment and the Board of Revision of Taxes and facilitated the two entities to resolve discrepancies between their data with respect to the number of outstanding appeal cases. From now on, reports from both agencies will be consistent with each other. Mr. Dubow noted that FY14 and FY15 appeals are almost complete.

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PICA issued its monthly report on the City's revenues for March 2016. Mr. Rost asked for a quick overview of the report's findings. Mr. Rice explained that the Real Estate Transfer and Wage taxes have been performing very well and that this signifies continued economic growth.

Mr. Rice provided the Board with PICA's most recent Fitch rating on its 2009 and 2010 bonds: AA+.

PICA has a Facebook page, where it will release reports and other information pertinent to its work.

PICA staff has begun the Five Year Plan review process and has received responses from half of the City operating departments so far.

PICA staff will be meeting with the City regarding the McArthur grant in the near future.

Treasurer's Report

Mr. Rice stated that PICA operating expenditures for FY16 through March are 4 percent higher than the previous month due to increased rent and salary and benefits expenditures.

Resolution

Last month, the Board requested a draft resolution thanking Suzanne Biemiller for her service as PICA Board Chair. Mr. Rice read the resolution to the Board members, stating that Ms. Biemiller "served with distinction," making significant contributions to the mission of the organization. Mr. Rost made a motion to approve the resolution, which Mr. Vaughan seconded. The resolution passed unanimously. Mr. Vaughan expressed his "high regard" for Ms. Biemiller as an "exceptional leader."

New Business

Mr. Rost inquired whether the Administration has engaged in any new discussions on the DROP program. He followed up by asking whether recent cases of several employees being re-hired after entering DROP and retiring has changed the Administration's plans about making changes to DROP. Mr. Dubow stated that the Mayor's position is that DROP should be changed and that he would sign legislation amending the program if Council passes it.

Mr. Dubow stated that the 2010 Boston College study revealed that the liability to the pension fund increased by \$230 million as a result of DROP up to that point in time. Mr. Dubow clarified that the cost of payouts from DROP is different from the overall cost to the pension fund – the Boston College study examined the latter.

Mr. Rost asked whether the City is going to pursue changing the program more actively. Mr. Dubow explained that Council had recently made changes to DROP benefits for DC 33 and DC 47, which are currently being litigated. There is a legal question as to whether changes to DROP must go through the collective bargaining process – the PLRB issued an opinion recently that indicated the changes should

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be subject to collective bargaining. This issue is still unresolved. Mr. Rice stated that DROP would be discussed in PICA staff's report on the Five Year Plan.

Public Comment

None.

Adjournment

Mr. Vaughan asked for a motion to adjourn. Mr. Kessler made the motion. Mr. Rost seconded the motion. The motion passed 5-0.