

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Special Meeting of the Board

April 28, 2017

The special meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) was held on Friday, April 28, 2017 in the PICA Board Room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

Attendees

Board: Kevin Vaughan, James Cawley, Alan Kessler (*via telephone*), Tina Byles Williams (*via telephone*), and Robert A. Dubow (*ex officio*).

Staff: Harvey M. Rice, Konstantinos Tsakos, Dora Ward, Daniel Esposito, and Deidre Morgenstern.

Invited Guests: S. William Richter, Esq., Reed Smith, LLP (*via telephone*); Anna Adams, Budget Director; Peilin Chen, Deputy Budget Director for Capital.

Call to Order

Mr. Vaughan called the meeting to order at 12:20 p.m.

Resolution No. 7 – PICA Operating Budget

Mr. Rice explained that the proposed operating budget for fiscal year 2018 is slightly higher, by approximately \$65,000, due to potential increases in salaries, increases in benefits, increased rent, and increased IT costs. Mr. Cawley made a motion to approve the proposed PICA operating budget for fiscal year 2018. Mr. Kessler seconded the motion. The motion passed 4-0 in a roll-call vote.

Resolution No. 8 – Engagement of Economist

Mr. Rice proposed the engagement of Mr. Charles Swanson, Professor of Economics at Temple University, at a cost of \$9,000 for a second year, for his expertise and assistance to PICA staff in evaluating City revenue projections in the upcoming Five Year Financial Plan. Mr. Cawley inquired about Mr. Swanson’s performance last year, and Mr. Rice responded that he was very helpful and that his expertise provided an added level of credibility to PICA’s staff report. Mr. Dubow added that Mr. Swanson has experience with this type of work from his previous engagement, in a similar capacity, with the City Controller’s Office. Prior to the vote on this resolution, Mr. Cawley disclosed that he is a trustee at Temple University, but that he does not know Mr. Swanson. Mr. Dubow added that the

money paid to Mr. Swanson would not go to the University. Mr. Kessler made a motion to approve the resolution. Ms. Williams seconded the motion. The motion passed 4-0 in a roll-call vote.

Resolution No. 9 – Engagement of Auditing Firm

Mr. Rice explained that PICA staff had undergone the proper RFP process upon expiration of the contract with its current auditing firm. Mr. Rice proposed retaining Maher Duessel to conduct an annual audit of PICA, as statutorily required. He explained that the rationale for switching firms after four years is that Maher Duessel is experienced in the niche of government audits, and that it had the lowest price bid. Other reasons included a desire to meet the statutory deadline, which the previous auditor did not manage to do, as well as to get new insights into ways PICA can make any potential improvements. Mr. Cawley asked whether Maher Duessel's Harrisburg location was a concern to staff. Mr. Rice responded that staff considered this factor and determined that it would not impact the work or product negatively. Mr. Cawley made a motion to approve. Ms. Williams seconded the motion. The motion passed 4-0 in a roll-call vote.

Resolution No. 10 –Capital Request

Mr. Rice explained that the City was requesting a re-allocation of previously approved capital funds in the amount of \$154,000 to a new, but related project. The funds were left-over after the originally approved project was substantially completed. Mr. Cawley asked why the original project came under budget. Ms. Chen explained that part of the original project was completed, but that the other part would exceed the amount of funds originally approved by PICA, and that after substantial completion of a portion of the work, the City decided to instead pursue a related, urgent, but less costly project. Mr. Cawley made a motion to approve. Ms. Williams seconded the motion. The motion passed 4-0 in a roll-call vote.

Resolution No. 11 –Capital Request

Mr. Rice stated that the City was requesting a re-allocation of previously approved capital funds in the amount of \$210,000 to a new, but related project. Ms. Chen explained that the original project was completed, and the funds were left-over. Mr. Cawley asked why the original estimated cost was so much more generous than needed. Ms. Chen replied that due to a conservative projection, contingency funding remained after completion. Mr. Cawley made a motion to approve. Mr. Kessler seconded the motion. The motion passed 4-0 in a roll-call vote.

New Business

Mr. Kessler proposed inviting the Chamber of Commerce to a PICA Board meeting to explain its opposition to the Levy-Sweeney wage tax proposal, which has to go through the Commonwealth legislature for a second time.

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Mr. Vaughan welcomed new members Mr. James Cawley and Ms. Tina Byles Williams to the PICA Board.

Adjournment

Mr. Cawley made the motion at 12:40pm. Mr. Vaughan seconded the motion. The motion passed 4-0.