

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

January 20, 2015

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority ("PICA") was held on Tuesday, January 20, 2015 in the PICA Board Room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

Attendees

Board: Lawrence J. Tabas, Rhonda Hill Wilson, Greg Rost, and Michael A. Karp (*via telephone*).

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

Invited Guests: S. William Richter, Esq., Reed Smith, LLP; and Greg Stump, Boomershine Consulting Group, LLC.

Call to Order

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

Approval of Minutes

Mr. Tabas asked for a motion to approve the minutes from the meeting of November 18, 2015. Ms. Wilson made the motion. Mr. Karp seconded the motion. The motion passed 4-0.

Executive Session

The Board went into an executive session to discuss the reappointment of Executive Director Harvey Rice. After the executive session, Mr. Rost made a motion to reappoint Mr. Rice. Ms. Wilson seconded the motion. The Board members took a roll call vote to confirm Mr. Rice, which passed unanimously. PICA general counsel, Bill Richter, drafted a resolution for the reappointment. Mr. Rice has been officially reappointed as Executive Director of PICA for a two year term.

Treasurer's Report

Mr. Rice noted that PICA expenditures to date in Fiscal Year 2015 are below the budgeted level. However, expenditures are higher than last fiscal year, due to increases in salary and benefit costs. The Board accepted the Treasurer's Reports for December 2014 and January 2015.

Executive Director's Report

Mr. Rice opened his report with a discussion of PICA's first fall conference, the subject of which was enhancing revenue recovery for the City of Philadelphia. Mr. Rice said he is editing the video of the full conference, which he will send to the Board and post on PICA's website when it is complete. The staff report on the conference is currently in draft form and will be released in the next few weeks. Mr. Karp asked if PICA will follow up on its recommendations arising from this conference and the subsequent report to determine which recommendations were adopted by the City. Mr. Rice confirmed that PICA will follow up with the Philadelphia Revenue Department in the next six months to assess which recommendations are being implemented. Mr. Tabas, who moderated the conference, commented that the event was well attended and well organized and went over some key areas of discussion that arose.

Mr. Rice noted that PICA is currently preparing for its annual Economist Meeting, which will occur on February 10, 2015. This conference is held each year with City officials, City consultant IHS Global Insight, and economists and academics in the area to determine appropriate projections and methods for revenue and economic growth to be incorporated in the next Five Year Plan.

Mr. Rice provided an update on the status of the proposal from US Bank regarding investment of a portion of the Debt Service Reserve Fund, which was originally located in a money market account. PICA received a proposal from US Bank on November 17. Mr. Rice and PICA's counsel, Mr. Richter, reviewed it and proposed some changes. US Bank submitted a revised proposal to PICA on January 15, 2015. PICA is currently reviewing this proposal.

Mr. Rice stated that a new IAFF award was recently issued and that PICA staff is waiting on the City to present documentation supporting the additional \$70 mil. in costs resulting from the award.

Mr. Rice noted that PICA staff now has new computers and thanked the Board for facilitating that change.

Mr. Rice said that based on the findings from PICA's most recent audit, Accounts Manager Deidre Morgenstern is being trained on reconciling PICA financial reports and an RFP has been posted to hire an accounting firm to prepare financial statements.

Finally, Mr. Rice announced the release of the PICA staff report on the City of Philadelphia Pension System. Greg Stump, an actuary from Boomershine Consulting Group LLC, and expert on public pension plans, presented his findings from an audit of the Philadelphia Pension Fund. Mr. Stump identified the primary risks related to economic assumptions – including the investment return, inflation, and salaries – mortality improvements, the Pension Adjustment Fund (PAF), and an increasingly retiree dominated proportion.

Discussion of Other Matters

No new business.

Public Comment

None.

Adjournment

Mr. Tabas asked for a motion to adjourn. A motion was made by Ms. Wilson. The motion was seconded by Mr. Rost. The motion passed 4-0.