

# PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

## Minutes of the Meeting of the Board

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June 16, 2015

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

### Attendees

Board: Suzanne Biemiller, Joseph McColgon, Michael A. Karp, Gregory S. Rost (*via telephone*), Robert A. Dubow (*ex officio*) and Sharon Ward, Director, Governor's Budget Office (*via telephone, ex officio*).

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

Invited Guests: S. William Richter, Esq., Reed Smith, LLP; Anna Adams, City of Philadelphia.

### Call to Order

Mr. Rice 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 May 19, 2015. Ms. Biemiller seconded the motion. The motion passed 3-0.

### Executive Director's Report

US Bank sent a monthly earnings report, showing a yield of 1.39 percent, and it continues to project an income of \$247,000 per year based on that rate. The Bank will continue to send PICA monthly earnings reports.

Mr. Rice thanked Mr. Dubow and the City of Philadelphia for facilitating two PICA staff members' attendance at the recent GFOA conference in Philadelphia.

Mr. Rice explained that the Special Pension Commission subcommittee will meet on June 17<sup>th</sup>. The full Commission will meet in August. There is currently a draft of the Benefit Plan Study.

Mr. Rice pointed the Board's attention to a recent editorial in the Philadelphia Inquirer highlighting one of PICA's recommendations from its report on pensions.

PICA staff has met with its newly contracted auditor, and will meet with both auditors on June 18<sup>th</sup>.

PICA staff will release its analysis of the Quarterly City Managers Report on June 17<sup>th</sup>. Ms. Biemiller inquired about the effect of the BRT appeals delay on City and School District revenues and expressed concern over a vague timeframe for the completion of appeals. Mr. Dubow answered that there are 2,000 appeals remaining and that the BRT will complete its review this fall. He explained that only 10 percent of the amount of appeals are remaining but that those appeals represent 30 percent of the dollar value of revenues expected to arise out of all appeals. Due to the delay, the City will likely see an increase in revenues in 2016, which is expected compensate for the revenues coming in below projections during the appeals process. Mr. Biemiller asked if PICA could do anything to encourage speeding up the process. Mr. Rice said PICA staff may incorporate an analysis of the delayed revenues resulting from the appeals in its risk analysis of PICA's report on the Five Year Plan.

Mr. Rice stated that PICA has completed its monthly revenue report and that it will be released shortly.

Mr. Rice told the Board that PICA staff expects to receive the Five Year Plan next week and subsequently begin its 30 day review process. Mr. Rice and Mr. Dubow agreed that they would discuss a workable timeframe.

Mr. Rice said he received an arbitrage audit engagement letter and that the fees will be \$500 lower this year.

Mr. Rice said he contacted the remaining appointing authority for information about when PICA can expect the nomination of its final board member. Mr. Rice was told that the nomination would occur soon.

### **Treasurer's Report**

Mr. Rice stated actuals are currently below budgeted levels for FY15 but that spending overall is higher than the previous year due to an increase in PICA salaries and benefits. Mr. Rice stated that he anticipates spending will remain at its current level for the remainder of the fiscal year.

### **Discussion of New Business**

Mr. McColgon asked whether PICA plans to look into the Levy Sweeney tax proposal. Mr. Rice responded that PICA would do so after the Five Year Plan review process is completed.

**Public Comment**

None.

**Adjournment**

Mr. Rice asked for a motion to adjourn. Mr. Karp made the motion, Mr. McColgon seconded, and the motion passed 4-0.