

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

June 20, 2017

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority ("PICA") was held on Tuesday, June 20, 2017 in the PICA Board Room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

Attendees

Board: Kevin Vaughan, James Cawley, Tina Byles Williams, Alan Kessler, Michael Karp, 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*); Jackie Dunn, Chief of Staff, Office of the Director of Finance, City of Philadelphia.

Call to Order

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

Approval of Minutes

Mr. Kessler made a motion to approve the minutes from the meetings of April 18th and April 28th, 2017. Mr. Cawley seconded the motion. The motion passed 4-0.

Executive Director's Report

Mr. Rice informed the Board that PICA's US Bank investments earned 1 percent, year-to-date, as projected.

Mr. Rice informed the Board that PICA's thirty (30) day review period for the City of Philadelphia FY2018-FY2022 Five Year Financial Plan has begun, as the Plan was submitted yesterday, June 19th. The Board will consider the Plan at its annual meeting as currently scheduled on July 18th. Several Board members requested getting a draft of the Staff Report on the Plan earlier this year, and Mr. Rice agreed to provide a draft on July 11th, one week before the Board vote. Mr. Cawley asked whether the statutorily required timeframe for review could be extended. Mr. Richter replied that the two ways to accomplish this would be if either the City retracted the Plan and resubmitted it at a later date, or if the

Pennsylvania Intergovernmental Cooperation Authority

Tuesday, June 20, 2017

Page 2

Board rejected the Plan. Mr. Cawley then extended the idea of the state legislature extending the deadline through an amendment to the PICA Act. Some discussion ensued.

Mr. Rice provided the Board with an update on PICA's reports. The Staff Report on the Quarterly City Managers Report (QCMR) for the third quarter was issued earlier this month. The Board of Revision of Taxes (BRT) update report on assessment appeals and the May Overtime Report are provided for the Board in their meeting binders. The Boston College report on DROP is in process, and there are three more steps remaining to be executed in the plan for the report.

Mr. Rice informed the Board that the Philadelphia Chamber of Commerce would attend the September 2017 Board meeting and that Mr. Brennan of the City of Philadelphia Office of Innovation and Technology would attend the October 2017 meeting, as requested by members of the Board previously.

Treasurer's Report

Mr. Rice explained to the Board that PICA's expenditures are 2 percent above this point in time last fiscal year, but are currently below the projected operating budget at 80 percent. Mr. Cawley asked whether the Board typically votes on the Treasurer's report, and members explained to him that this is not the practice.

Resolution No. 12: Arbitrage

Mr. Rice explained that this resolution is to approve the services of Parker Bond Consulting, relating to two PICA bonds. He explained that Parker Bond has been doing arbitrage rebate work for PICA for years.

12:35pm Mr. Karp entered the meeting.

Mr. Kessler made a motion to approve the resolution. Mr. Karp seconded the motion. The motion passed 5-0.

New Business

Mr. Karp expressed a desire to amend the minutes from January 2017 to better reflect the correct wording of the resolution he proposed at that meeting regarding Police overtime spending. Mr. Vaughan suggested that because only Mr. Karp and Mr. Vaughan were at that meeting, due to changes in Board membership since January, that it would be better to reintroduce the resolution instead of changing the wording in the January minutes. Mr. Karp reintroduced his resolution, stating that PICA should fund a study and bring together various stakeholders, including Police and the courts, in order to study Police overtime related to court appearances. Mr. Dubow and Mr. Rice explained that the Police and courts already work together on this issue. Discussion ensued. The Board decided to initially make informal inquiries through the staff in order to determine if a study is necessary and approved

Pennsylvania Intergovernmental Cooperation Authority

Tuesday, June 20, 2017

Page 3

providing staff with the authority to commission a study if initial findings require it. Mr. Kessler made a motion to approve the resolution, Mr. Cawley seconded. The motion passed 5-0.

Mr. Kessler asked Mr. Dubow about beverage tax collections coming in below projections. Mr. Dubow explained the reasons were seasonality and consumers stocking up prior to the commencement of collections. Mr. Kessler asked for a backup plan for funding Pre-K and Rebuild if collections do not reach expectations. Mr. Dubow said the City cannot engage in speculation at this time. Mr. Kessler asked for updates on collections, and Mr. Rice explained that PICA's monthly revenue reports provide those updates. Discussion ensued about the causes and impacts of collections on the beverage tax.

Mr. Karp asked how the City would help fund the new contract between the teachers' union and the School District. Mr. Dubow replied that the School District was already projecting deficits even before the contract came into fruition and that the City is committed to finding a solution.

After some discussion between the Board members, Mr. Kessler made a motion for an Executive Session. Mr. Cawley seconded the motion. The motion passed 5-0.

Public Comment

None.

Adjournment/Recess

Mr. Cawley made a motion to adjourn. Mr. Kessler seconded the motion. The motion passed 5-0.

Mr. Karp made a motion to undo the adjournment, in favor of a recess for the Executive Session. Mr. Kessler seconded the motion. The motion passed 5-0.

Mr. Cawley made a motion to recess. Mr. Kessler seconded the motion. The motion passed 5-0.

12:55pm: The Board entered into Executive Session.

1:05pm: Upon returning from recess, Mr. Vaughan announced that the Executive Session was about the beverage tax litigation.

Mr. Karp made a motion to adjourn. Mr. Cawley seconded the motion. The motion passed 5-0.