



For Immediate Release
July 18, 2017

Contact: Harvey Rice
215-561-9160

PICA Board Unanimously Approves City of Philadelphia's FY2018 to FY2022 Five Year Plan *Kevin Vaughan Re-elected Chair of PICA Board*

July 18, 2017— The Board of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) today unanimously approved the *City of Philadelphia's Five Year Plan for Fiscal Years 2018-2022* (the “Plan”). In approving the Plan, the Board held that the assumptions and estimates in the City's Plan were reasonable and appropriate, and that the Plan projects positive year-end fund balances for the next five fiscal years.

PICA Staff recommended approval of the Plan, based on the following:

- Preliminary revenue results for FY2017 suggest another year of solid performance for most taxes.
- The City is continuing to manifest signs of continued economic expansion since the end of the recession, while continuing to implement certain reforms in order to increase tax competitiveness.
- The City has set aside a \$200 million provision to fund upcoming labor costs, as well as a \$274.6 million contingency should the City lose grant funding as a result of federal and state actions; both provisions had been previously recommended by PICA.

PICA Staff also identified some key risks to the Plan as follows. Contract increases could exceed the \$200 million provision set aside in the Plan; pension costs could exceed the pension projections included in the Plan; and business income and receipts tax revenue has become increasingly volatile and difficult to project.

Although PICA is confident that the Plan is based on reasonable assumptions—which will ultimately result in positive fund balances over each of the five fiscal years presented—the City must submit to PICA a revised Plan should the City's finances deviate from the approved Plan.

In addition, the election for officers of the PICA Board was held, with Kevin Vaughan being re-elected Chair, Alan C. Kessler being elected Vice Chair, Michael Karp being elected Treasurer/Secretary and James F. Cawley being elected Assistant Treasurer/Secretary.

For the full report click [here](#).



Pennsylvania Intergovernmental Cooperation Authority

Financial Oversight for the City of Philadelphia

1500 Walnut Street, Suite 1600, Philadelphia, PA 19102 — 215-561-9160 — www.picapa.org