

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

April 17, 2018

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority ("PICA") was held on Tuesday, April 17, 2018 in the PICA board room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

Attendees

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

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

Invited Guests: S. William Richter, Esq., Reed Smith, LLP (*via telephone*); Jackie Dunn, Office of the Director of Finance.

Call to Order

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

Approval of Minutes

Mr. Cawley made a motion to approve the minutes from the meeting of February 20, 2018. Mr. Kessler seconded the motion. The motion passed 4-0.

Executive Director's Report

Mr. Rice stated that PICA staff has written several reports: the Five Year Plan revision report, two monthly overtime reports, a BRT report, and two revenue reports. PICA staff also compiled a memo for the Board on the issue of a Police court overtime study.

The PICA Board is set to consider three resolutions at this meeting for an office lease, accounting services, and revenue analysis services for the Five Year Plan.

Treasurer's Report

Mr. Rice explained that PICA's expenditures are below budgeted levels but that actuals are up, year over year, due to additional staff and associated benefits and the DROP study.

Resolution 7 – Revised Five Year Plan

Mr. Rice stated that two arbitration awards prompted an additional \$61 million of spending, which required a Plan revision. The costs are covered by the fund balance from FY17, which came in \$100.6 million above projections. Staff recommends approval.

Mr. Kessler asked for a comment from Mr. Dubow regarding risks to the Plan. Mr. Dubow explained that due to the late timing of the revision, so close to the upcoming FY2019-2023 Five Year Plan, the financial condition of the City is not updated in the Plan revision because the budget awaits passage by City Council. Thus, the revision is much more limited in this manner than the upcoming Plan will be.

Mr. Karp entered the meeting at 12:25 pm.

Mr. Kessler asked for an update to the proposed legislation on the state level, which would impact the beverage tax. Mr. Dubow responded he has no information.

Mr. Karp made a motion to approve the revised Plan, Mr. Cawley seconded the motion. In a voice vote, the Board unanimously approved the Five Year Plan revision.

Overtime Study

The Board entered into a discussion of the Police court overtime study. Mr. Rice recommended issuing an RFP for a consultant and collaborating with the City to reduce Police court overtime. Once the proposals are submitted, the Board can vote to select a candidate.

Mr. Karp asked Mr. Dubow whether overtime was calculated into pension benefits. Mr. Dubow responded that it depends on the union, but it is not included for Police and Fire employees. Mr. Karp stated that upcoming union contract negotiations should seek to exclude overtime from the pension calculation.

Mr. Vaughan made a motion to approve the issuance of an RFP, and Ms. Byles Williams seconded the motion. The motion passed 5-0.

Resolution 8 – Revenue analysis

Mr. Rice explained that this is a contract for Mr. Swanson's services as a professor and economist, to assist PICA staff in analyzing city revenue projections. Mr. Karp asked for the cost of the services. Mr. Rice responded \$9,000.

Mr. Karp made a motion to approve, and Mr. Vaughan seconded the motion. The motion passed 4-0 in a voice vote, with Mr. Cawley abstaining due to his employment at Temple University.

Resolution 9 – Accounting Services

Mr. Rice stated that to remove an audit finding several years ago, accounting services were needed for the review of bank reconciliations on a quarterly basis and the preparation of financial statements. PICA RFPed this service, and the cost is \$16,500, with an additional \$500 in the second and third years of the engagement.

Mr. Karp made a motion to approve and Mr. Kessler seconded the motion. The motion passed 5-0 in a voice vote.

Executive Session

12:35 p.m.: Mr. Vaughan announced that the Board will enter into an Executive Session to consider a new office lease.

12:39 p.m.: Mr. Vaughan announced the Executive Session was concluded.

Resolution 10 – Office Lease

Mr. Kessler made a motion to approve renegotiation of the current lease, Mr. Karp seconded the motion, the motion passed 5-0 in a voice vote.

New Business

None.

Public Comment

None.

Adjournment/Recess

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