

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

May 22, 2018

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority ("PICA") was held on Tuesday, May 22, 2018 in the PICA board room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

Attendees

Board: Kevin Vaughan, Alan Kessler, James Cawley (*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*); Anna Adams, Budget Director, Office of Budget and Program Evaluation.

Call to Order

Mr. Vaughan called the meeting to order at 2:30 p.m.

Approval of Minutes

Mr. Cawley made a motion to approve the minutes from the meeting of April 17, 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 since the last Board meeting: the third quarter report on the Quarterly City Managers Report (to be released this week), the April monthly revenue report, and the third quarter overtime report.

PICA staff also completed all of its annual meetings with City operating departments for the Five Year Plan review process. He thanked Mr. Vaughan for attending many of those meetings, as well as Mr. Karp for attending several of them.

He informed the Board that PICA staff is prepared to sign a lease extending its tenancy at its current location soon, at a lower price than the current rent.

Pennsylvania Intergovernmental Cooperation Authority

Tuesday, May 22, 2018

Page 2

Mr. Rice explained that he also made presentations to members of the Association of Government Accountants at their annual seminar, and to students at Fels at the University of Pennsylvania last month.

Treasurer's Report

PICA's expenditures are below budgeted levels but that actuals are up, year over year, due to the DROP study and computer hardware expenses.

Resolution 11 – Waiver of Five Year Plan revision

Mr. Dubow explained that the City is requesting that the Board waive the PICA Act and ICA requirement for a revised FY2018-2022 Plan submission that was promulgated by the recent IAFF arbitration award. The award was issued during the formulation of the FY2019-2023 Plan, and during Council's deliberations regarding that Plan, and a revision of the FY2018-2022 Plan would be impractical in this instance. As such, the cost of the IAFF award for FY2018 will be included in the FY2019-2023 Plan.

Mr. Karp made a motion to approve the resolution to waive the revision requirement in this limited instance. Mr. Cawley seconded the motion. This resolution required a qualified majority. In a voice vote, the Board approved the resolution as follows: Mr. Vaughan, Mr. Cawley, Mr. Karp, and Mr. Kessler all in favor, with Ms. Williams absent.

New Business

The Board members expressed concern over the City's financial condition overall, noting several fiscal concerns and decided to meet to discuss these issues, without deliberation on future Board actions. Mr. Dubow agreed that there are areas of concern but noted that the City is engaging in financial planning in order to manage the challenges. Mr. Karp requested that PICA staff or the City provide pension projections of the funded ratio from several years ago, and requested that the Pension Board make a presentation to the PICA Board regarding its status. Mr. Dubow recommended adding the Pension actuary to this meeting.

Public Comment

None.

Adjournment/Recess

Mr. Kessler made a motion to adjourn. Mr. Karp seconded the motion. The motion passed 4-0.