

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

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April 16, 2019

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The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) was held on Tuesday, April 16, 2019 in the PICA board room located at 1500 Walnut Street, 16<sup>th</sup> Floor, Philadelphia, Pennsylvania.

**Attendees**

Board: Kevin Vaughan, Alan Kessler, Michael Karp (*via telephone*), Tina Byles Williams, Robert A. Dubow (*ex officio*), and Chelsea Guzowski (*ex officio, alt. for Jen Swails*) (*via telephone*).

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

Invited Guests: S. William Richter, Esq., Reed Smith, LLP

**Call to Order**

Mr. Vaughan called the meeting to order at 12:21 p.m.

**Resolution No. 2019-08 – FY2020-2024 FYP Revenue Analysis**

Mr. Rice explained that this resolution is authorization to contract with Mr. Charles Swanson, PhD, for consulting services as part of the review of the City’s FY2020-2024 Five Year Plan. Mr. Karp inquired as to the cost and necessity, since the Controller’s Office provides a similar report. Mr. Rice explained that while the City Controller’s report is taken into consideration during the review process, Mr. Swanson’s economic expertise and detailed analysis on revenue projections assures that the Authority is fulfilling its role in providing independent oversight, as well as performing its due diligence. Mr. Dubow added that the City Controller’s report is limited in scope and follows accounting standards not the PICA Act. Mr. Rice added that the cost for this contract is approximately \$9,000. Mr. Karp noted that in the future, PICA and the City Controller should share data analysis when feasible.

Mr. Karp made a motion to approve. Mr. Vaughan seconded the motion. The motion passed 4-0 in a voice vote.

**Resolution No. 2019-09 – Financial Advisor for Possible Bond Refunding Transactions**

Mr. Rice informed the Board that he recently received a proposal for a potential bond refunding from Citibank. The proposal indicated that refunding PICA’s Series 2009 would result in potential Net

Present Value savings of approximately \$6 million. Mr. Rice added that both the City's Director of Finance and Treasurer expressed an interest in pursuing a refunding. This resolution would initiate the process by issuing an RFP for a financial advisor that would review the bond documents, gauge market conditions, assess refunding proposals and guide the Authority through the process if a refunding was indeed found to be cost beneficial. A discussion ensued by the Board members about the timing and necessity of an RFP. Ms. Williams noted that an independent, honest broker is not just a rubber stamp for the banker but provides validity to the proposals.

Ms. Williams moved to approve the resolution. Mr. Karp seconded the motion. The motion passed 4-0 in a voice vote.

### **Approval of Minutes**

Mr. Karp made a motion to approve the minutes from the meeting of March 19, 2019. Mr. Kessler seconded the motion. The motion passed by a vote of 4-0.

### **Executive Director's Report**

Mr. Rice informed the Board that PICA staff issued the March tax revenue update, and the second quarter overtime report. Mr. Rice stated that the City's total costs of overtime through March represented 86% of the overtime allocation, and that costs are \$2.3 million less in comparison to last year. However, the City will most likely exceed its overtime allocation for the year. Mr. Kessler inquired as to last year's total number of employees. Mr. Vaughan stated that the gross number of employees should be available. Mr. Rice answered that the totals are listed in PICA's Quarterly Report by department.

Mr. Rice stated that there was no change in PICA's March investment yield.

Mr. Rice also stated that PICA's Five Year Plan meetings are being scheduled between April 20<sup>th</sup> through May 10<sup>th</sup>. Nine departments have been selected, plus the Resilience Project, and the Capital Program.

Mr. Rice informed the Board that the appeals report for FY2019 is provided in the folders. Mr. Rice added that appeals filed increased slightly and appeals heard has also increased. Mr. Kessler stated that PICA should continue monitoring the appeals. He asked if residents were continuing to pay their bill using last year's rate. Mr. Dubow answered that not many residents have taken advantage of that option, since mortgage companies pay the bill in full for most city residents.

Mr. Karp exited the meeting at approximately 12:46 pm.

Mr. Rice informed the Board that the City Council Budget hearings are in progress. Mr. Kessler requested a schedule of the budget hearings.

**Treasurer's Report**

Mr. Rice stated that PICA is at 83 percent of its budget, with payments for the Police Court Overtime Report impacting expenditures.

**New Business**

Mr. Kessler asked for the total estimated cost of One Philly Program's 7.5 hour workday shift to 8 hours. Mr. Dubow answered that his office is working with City departments in reworking employees' shifts. He will provide the analysis at next month's meeting.

**Public Comment**

None.

**Adjournment/Recess**

Mr. Vaughan called for a motion to adjourn at 12:49 p.m. Mr. Kessler moved the motion and Ms. Williams seconded.