

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

January 19, 2021

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) was held on Tuesday, January 19, 2021. As a result of the emergency declaration and stay at home order of the Governor of Pennsylvania due to the COVID-19 pandemic, the meeting was virtual with members of the board and the public participating.

Attendees

Board: Kevin Vaughan, Alan Kessler, Tina Byles Williams, Michael Karp, Rob Dubow (*ex officio*), and Mark Ryan (*ex officio*)

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 12:32 p.m.

Mr. Vaughan stated that an executive session of the board took place at 12:15 pm in order to discuss a personnel matter. The session ended at 12:30 pm.

Executive Director’s Report

Mr. Rice stated that since the last meeting, PICA terminated the Basis Cap accounts and received a net termination payment of \$356,000. He added that the very next day after closing the valuation of the basis caps dropped by \$55,000, so we were fortunate to close when we did.

PICA staff released the first quarter overtime update, the November and December tax revenue reports, the November and December Obligations reports, as well as the response to the City’s overtime action plan which was received on December 30th. Mr. Rice stated that PICA staff met with the City’s Managing Director and requested a written status on the Police Court Overtime Report recommendations be submitted before the February board meeting. He added that he participated in a WURD radio interview and delivered a presentation on PICA’s oversight role for a FELS course.

Treasurer’s Report

Mr. Rice stated that PICA spending is at 70 percent of the approved budget.

Resolution #2021 - 09 – Reappointment of Executive Director

Mr. Vaughan announced a resolution to reappoint Harvey Rice as PICA’s Executive Director.

Mr. Karp made a motion to approve the resolution, and Mr. Kessler seconded the motion.

The motion passed 4-0.

Resolution 2021 - 10 – Recognition of James F. Cawley

Mr. Vaughan announced a resolution thanking Mr. Cawley for his service as a PICA Board member. Mr. Kessler stated that Mr. Cawley will be missed and wishes him the best. He added that Mr. Cawley is a nice guy who was always well prepared for the board meetings and made significant contributions to the mission of the authority. He added that Mr. Cawley brought a wealth of expertise and he hopes that he will be available as a future resource. Ms. Williams concurred and added that Mr. Cawley is a well-reasoned and decent guy. Mr. Dubow expressed his thanks on behalf of the administration for his hard work and dedication. He added that Mr. Cawley was always fair and asked pertinent questions. Mr. Vaughan stated that he wishes Mr. Cawley the best. He noted that Mr. Cawley performed numerous good works outside of PICA, such as the creation of a commission assisting in the adoption of older children. Mr. Karp stated that Mr. Cawley was a great colleague and he wishes him well in the future.

Mr. Kessler made a motion to approve the resolution, and Mr. Karp seconded the motion. The motion passed 4-0.

New Business

Mr. Kessler requested a summary of the staff’s report on the City’s overtime action plan. Mr. Rice stated that the staff reviewed and analyzed the 170 page plan received on December 30th. He noted that although the City addressed some aspects of the board’s concerns, the plan is not what the board envisioned or requested. Mr. Rice continued stating that the plan does not specify a point person responsible for monitoring overtime usage in each City department, nor a point person responsible for monitoring overtime for the entire city as a whole and does not include finite cost reductions. He stated that through December the City has incurred \$106 million in overtime costs which is only 7 percent below last year’s level. Mr. Rice continued stating that of the fourteen departments included in the action plan, some did not identify causes of overtime and the Fire Department did not submit an overtime action plan at all.

Mr. Kessler asked if the City Controller explained the department’s significant overtime costs. Mr. Rice answered that the Controller’s office responded that staff was loaned to the Commissioner’s office during the election process and the costs will be transferred to the City Commissioner’s Department.

Mr. Kessler stated that the City’s overtime action plan is disappointing. The plan does not specify accountability measures or a clear plan to reduce overtime. He stated that the City does not address the Board’s concerns or offer details. The plan also does not identify penalties for excessive overtime usage. Mr. Kessler added that the City departments’ answer to mitigate excessive overtime is increasing

staff. Mr. Kessler stated that the Board recognizes this response. The City hired 1,000 new staff members in the last four years which did not assist in managing excessive overtime.

Mr. Kessler addressed Ms. Waxman's comments in the plan relating to PICA's determination to contend to this matter at an inopportune time as the City is struggling to handle the COVID-19 pandemic, vaccinations, the election process and special events. Mr. Kessler affirmed that the timing could be better. However, PICA has been requesting movement on this issue for the past five years and special events occur every year. Mr. Rice stated that PICA is not satisfied with this plan. He suggested that the City could submit a new plan that addresses the Board's concerns or hold the overtime reduction plan to allow the City to focus on these other insistent matters, and request that an overtime action plan be submitted with the next five year plan. Mr. Kessler answered that he agrees with either approach. Mr. Kessler acknowledged that the City is dealing with surge upon surge of the pandemic, school safety concerns and vaccinations. However, in terms of voting for the Five Year Plan, more progress is required.

Mr. Dubow stated that the overtime action plan was completed with an abundance of hard work and effort. The plan includes historical overtime usage and detailed information. The Streets Department submitted a fourteen point action plan. The plan also includes quarterly projections for each year to aid in accountability. Mr. Karp acknowledged that the City is dealing with unexpected and uncontrollable circumstances. Mr. Dubow offered to schedule a meeting to review the report more thoroughly, as he unfortunately must leave the meeting. Ms. Williams stated that this meeting should include department heads as well. Mr. Kessler added that he is very concerned with overtime usage in the second half of the year. Mr. Vaughan asked if federal funds are forthcoming. Mr. Dubow answered that the City will receive relief bill funds that will be very helpful for state and local governments. Mr. Kessler requested that the effects on the wage tax be addressed at this meeting as well.

Mr. Dubow left the meeting at 1:00 pm.

Mr. Kessler requested that Mr. Rice schedule a special session. Mr. Rice answered that he will coordinate with Mr. Dubow to schedule this meeting.

Ms. Williams stated that overtime management may not be a conscientious allocation, but more of a management tool. Mr. Vaughan added that benefits cost more than overtime and more information is required on hiring vs. overtime. He stated that the Health Department preferred to utilize overtime for lower paid personnel and to hire more doctors and nurses. Mr. Karp stated that he is concerned about the contribution to higher benefit costs. Mr. Vaughan stated that according to union rules, senior personnel utilize overtime.

Public Comment

Councilman Alan Domb stated that his primary concern is wage tax and refunds. Industries such as finance, real estate, technology, and construction received PPP loans, while the pandemic more directly affected hospitality, tourism, and gyms. He added that 41 percent of workers commute to the City which will heavily affect the wage tax.

Adjournment/Recess

Mr. Kessler made a motion to adjourn. Mr. Karp seconded the motion. The motion passed 4-0. The meeting was adjourned at 1:09 p.m.

Mr. Vaughan advised the Board that the next scheduled board meeting is February 24, 2021 at 12:15 pm.