



Pennsylvania Intergovernmental  
Cooperation Authority

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## **PICA Board Unanimously Approves City's Revised FY2022-FY2026 Five Year Plan**

November 16, 2021—The Board of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) at its Monthly Meeting today unanimously approved the *City of Philadelphia’s Five Year Plan for Fiscal Years 2022-2026 as Revised October 29, 2021* (the “Revised Plan”). Recently, the City received a new arbitration award for the Fraternal Order of Police Lodge No. 5 and negotiated new labor contracts with AFSCME District Council 33 and District Council 47, which exceeded the labor reserve in the FY2022-FY2026 Five Year Plan approved by the PICA Board in July. As a result, the City was required to submit a revised five year financial plan, as required by the PICA Act.

In approving the Revised Plan, the Board held that:

- Revenue and expenditure projections as presented in the Revised Plan are based on reasonable and appropriate assumptions and methods of estimation, which are consistently applied;
- PICA’s economic consultant’s analysis found the City’s projected tax revenues to be reasonable over the life of the Revised Plan;
- The Revised Plan benefits from a higher than expected estimated year end fund balance for FY2021 of \$298.5 million, an almost \$220 million increase over the previous estimate of \$78.7 million and projects positive year end fund balances in all five years of the Plan;
- The Revised Plan includes a Recession and Reopening (Pandemic) Reserve of \$177.5 million over the Plan period, a \$287.6 million reserve for future labor costs for the five remaining bargaining units whose contracts expire at the end of FY2021, and a \$40.6 million contribution to the Budget Stabilization Reserve (“BSR”), projected in FY2025.

PICA also today issued its Staff Report on the Revised Plan, which includes a thorough review and analysis of the Revised Plan, along with a discussion of risks to the Revised Plan and other financial concerns facing the City.

For the Staff Report, click [here](#) or visit [www.picapa.org](http://www.picapa.org)