

# PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

## Minutes of the Meeting of the Board

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February 15, 2022

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The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) was held on Tuesday February 15, 2022, in the PICA board room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

### Attendees

Board: Kevin Vaughan, Alan Kessler, Esq. (via Zoom), Courtney Richardson, Esq. (via Zoom), Michael Karp (via telephone), Rob Dubow (*ex officio*) (via Zoom), and Mark Ryan (*ex officio*) (via Zoom)

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

Invited Guests: S. William Richter, Esq., Reed Smith, LLP (via Zoom), Marissa Waxman, Office of Budget and Program Evaluation (via Zoom)

### Call to Order

Mr. Vaughan called the meeting to order at 12:15 p.m.

### Approval of Minutes

Mr. Kessler made a motion to approve the minutes from the meeting of November 16, 2021. Ms. Richardson seconded the motion. The motion passed 4-0.

### Resolution No. 2022 - 06 – FY2023 PICA Operating Budget

Mr. Rice stated that the operating budget for fiscal year 2023 is slightly higher than the previous year due to the potential increase in healthcare costs as well as budgeting for potential payments for unused vacation and sick leave. Mr. Vaughan asked if the Board had reviewed the operating budget, and they acknowledged that they had. Mr. Vaughan asked if there are any questions regarding the budget. There were no questions from the board members.

Ms. Richardson made a motion to approve the resolution, and Mr. Kessler seconded the motion. Mr. Vaughan called for a roll-call vote. The resolution passed unanimously 4-0.

### Executive Director’s Report

Mr. Rice stated that since the last meeting, PICA staff released the November, December and January tax revenue reports. Mr. Rice added that the revenue collections are higher than projected and PICA remains cautiously optimistic regarding the remaining fiscal year collections.

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Mr. Kessler asked if further information is available regarding employees working remotely. Mr. Dubow answered that the City speculates that 10% - 15% of non-residents will continue to work remotely. Mr. Rice stated that the return is still nebulous, although employees of large companies such as Microsoft, are slowly returning to the work-place. He added that Center City is much busier in recent months which is a good sign.

Mr. Rice stated that the wage tax collections were lower than projected. Mr. Karp requested wage tax collections data on a monthly basis beginning in 2019. Mr. Rice responded that he will provide this information.

Mr. Rice stated that PICA issued the November, December, and January Obligations update, which noted that obligations are slightly lower than projections.

Mr. Rice added that PICA released the Staff Report on the City's First Quarter QCMR, which reflected the revenue and obligation projections included in the Revised Five Year Plan.

Mr. Rice stated that PICA's return on investments continues to be less than one percent due to the nature of investments.

Mr. Rice advised the Board that PICA received two LIBOR settlements.

Mr. Rice stated that the IAFF (Fire Fighters) arbitration award was issued as was the Local 810 (Courts) award. The costs of these contracts are covered by the labor provision included in the Revised Five Year Plan. The vaccination mandate agreements and awards for DC33, DC47, & FOP, were also issued. The costs of these agreements will be covered by the Recession and Reopening Reserve (Pandemic Reserve) included in the Revised Five Year Plan.

Mr. Rice added that he testified at the City Council Fiscal Stability Committee hearing, and that he delivered a presentation on PICA's oversight role for a FELS course. He also participated in a WURD radio interview regarding the City's revenues.

Mr. Rice advised the Board that each member will be receiving the Statement of Financial Interest forms today which are due May 1, 2022. He reminded the board members to forward a copy of the completed form to PICA, as is legally required.

Mr. Rice reiterated that PICA will hold the Annual Economists Meeting virtually via Zoom tomorrow.

**Treasurer's Report**

Mr. Rice stated that PICA spending is 73% percent of the approved budget.

**Overtime Update**

Mr. Rice advised the Board that PICA Staff's overtime report indicates that the City's overtime spending through December is \$98 million, the lowest since FY2019. The City's overtime spending for this same period in FY2021 was \$105 million, and \$113 million for the same period in FY2020. Ms. Waxman stated that overtime costs will indicate a spike in January due to the impact of the Omicron Variant.

Mr. Kessler acknowledged that the City is moving in the right direction but should monitor the departments that consistently exceed overtime allocations. Ms. Waxman stated that the high volume of Realty Transfer Tax collections and low staffing levels resulted in a large spike in overtime usage. Mr. Kessler stated that it would be beneficial to have an explanation of increases in overtime usage on record. Mr. Rice stated that the City did advise PICA that there would be a spike in overtime usage until the backlog in processing is resolved.

Ms. Waxman added that the Streets Department was able to maintain performance measures despite a large increase in trash tonnage. Mr. Kessler stated that the District Attorney's office overtime usage is consistently high each year. Mr. Kessler added that PICA should have a conversation with the District Attorney's Office as attorneys are salaried employees and overtime should not be necessary. Mr. Rice stated that during the annual five year plan process, PICA meets with various departments and ascertains the nature of their overtime spending. He added that the District Attorney's Office overtime is most likely due to reimbursables, as was explained to us on previous occasions.

**New Business**

None

**Public Comment**

None

**Adjournment**

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

A discussion ensued regarding the March Board meeting having no agenda items at this time. The Board agreed not to hold the March Board meeting.

The meeting was adjourned at 12:42 p.m.