

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

May 17, 2022

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) was held on Tuesday May 17, 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), Roderick Henkels, (via Zoom), 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), Marisa Waxman, Office of Budget and Program Evaluation (via Zoom)

Call to Order

Mr. Vaughan called the meeting to order at 12:18 p.m.

Approval of Minutes

Mr. Karp made a motion to approve the minutes from the meeting of April 19, 2022. Mr. Henkels seconded the motion. The motion passed 5-0.

Resolution 2022-08: FY2022 Arbitrage Services

Mr. Rice explained that this resolution is authorization to retain services from The Arbitrage Group for annual arbitrage rebate calculations as necessary. Mr. Rice explained that PICA’s Series 2020 Bond issue matures in June 2022, and the Series 2019 Bond issue matures in June 2023. The Arbitrage Group has agreed to conduct the analysis at a locked in price of \$1,000 per year for the remaining two years of arbitrage services. The Arbitrage Group not only has the expertise to perform this service but are cost effective as the previously engaged firm charged us \$4,500 per year.

Mr. Karp made a motion to approve the resolution. Mr. Vaughan seconded the motion. The motion passed 5-0 in a voice vote.

Executive Director’s Report

Mr. Rice advised the board that PICA staff are in the process of selecting City departments to meet with as part of the Five Year Plan process. The department meeting schedule was sent to the Board today. Mr. Kessler inquired as to the process in determining which City departments are selected. Mr. Rice

answered that a number of factors are taken into consideration during the selection process such as the staff's review of the responses to the questionnaires, the size of the department, overtime usage, issues impacting the department, as well as requests for additional funding in the budget. Mr. Kessler inquired if the Fire Department was selected. Mr. Rice answered that PICA staff have met with Fire Department representatives every year. He added that they can meet this year as well, but there is no change in their overtime usage as they are still not fully staffed. The PICA staff closely monitored the City Council hearings with the Fire Department.

Mr. Rice continued stating that PICA staff released the April tax revenue report, as well as the April obligations update. Mr. Rice stated that tax collections for this April were 61 percent higher than last April, and 21 percent higher year-to-date. All tax types did well in April with the exception of the real estate tax which is lagging due to the timing of collections. The obligations update indicated that City spending is on target with its projections.

Mr. Rice advised the board members that KYW News Radio and WHY Y covered PICA's report regarding City separations. WHY Y also covered the April revenue report.

Mr. Rice stated that the City is negotiating with the Corrections Officers Bargaining Unit, and it appears that the costs of this contract might exceed the Revised Five Year Plan's labor reserve. Therefore, the arbitration award may result in a revised plan submission. If so, PICA will have 20 days to consider the plan. However, as the board resolved in 2018 with the IAFF, it may once again delay the submission of a revision until the submission of next year's five year plan. As a result, a special meeting of the board in June may be necessary.

Mr. Rice continued by stating that it appears that City Council will consider the final budget on June 23rd. As a result, the PICA Board annual meeting may require rescheduling from July 19th to July 26th. Mr. Vaughan requested that board members place a hold on their calendars in the event rescheduling is necessary.

Treasurer's Report

Mr. Rice stated that PICA spending is 65% percent of the approved budget.

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

Overtime Update

Mr. Rice advised the board that the staff's 3rd quarter overtime update report indicates this is the first time the City's overtime spending is higher than the same period in 2020 and 2021. The departments that exceeded their overtime allocations: Finance Department, overtime increased due to the preparation of the annual financial statements; Streets Department, due to trash collection; Records, due to the back log of deed processing; Behavioral Health Department, due to a low 57% staffing level, as finding and hiring employees is becoming difficult.

Mr. Dubow stated that the General Fund will be reimbursed where appropriate through grants or other departments. Therefore, some of the department overtime overages shown will be corrected by year end. Ms. Waxman reiterated that the appropriate transfers should take place by the end of the fiscal year.

Pennsylvania Intergovernmental Cooperation Authority

Tuesday, May 17, 2022

Page 3

A discussion ensued about the low staffing level in certain departments and how to remedy the situation. Ms. Waxman added that it is difficult to fill positions, and that more outreach is needed to recruit employees. Mr. Dubow stated that the FY2022 fund balance will be higher than originally projected. Some of this fund balance will go toward attracting, recruiting and hiring additional employees.

Mr. Rice stated that PICA will request information from the District Attorney regarding excessive overtime usage. Mr. Kessler requested that this information be provided to the Board. Mr. Rice will share the response with the Board.

New Business

None

Public Comment

None

Adjournment

Ms. Richardson made a motion to adjourn. Mr. Karp seconded the motion. The motion passed 5-0.

The meeting was adjourned at 12:39 p.m.