



FOR IMMEDIATE RELEASE

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PICA Board Unanimously Approves City of Philadelphia's FY2025-FY2029 Five Year Financial Plan

PHILADELPHIA, July 25, 2024 – The Board of the Pennsylvania Intergovernmental Cooperation Authority (PICA) is pleased to announce the approval of the City of Philadelphia's Five-Year Financial Plan for Fiscal Years 2025-2029. This comprehensive fiscal roadmap reflects the City's commitment to fiscal responsibility and improved public services.

The approved Plan outlines a strategic approach to addressing key financial challenges, like achieving full funding of the Pension Fund and navigating the end of federal COVID relief funds. With a focus on long-term stability and resilience, the Plan sets forth a series of initiatives designed to help Philadelphia residents and businesses thrive.

Following a thorough analysis of the Plan documented in the [PICA Staff Report on the FY2025-2029 Plan](#), PICA's staff recommended approval for several key reasons:

- **Positive Fund Balances**
 - The Plan projects positive fund balances in each of the five years covered by the Plan, as required by the PICA Act.
- **Reasonable Assumptions and Projections**
 - Revenue and expenditure projections are based on reasonable and appropriate assumptions and methods of estimation.
 - PICA's external economic consultant, Professor Charles Swanson, and City Controller Christy Brady have verified that the tax revenue projections are reasonable over the life of the Plan.
 - PICA staff analysis found that projections for non-tax revenues and spending by major class are reasonable over the duration of the Plan.
- **Comprehensive Financial Planning**
 - The Plan meets all requirements set forth in the PICA Act, including provision of schedules for long-term debt, a cash flow forecast for the first year, and a schedule of authorized positions.

While PICA is confident that the reasonable assumption and positive year-end fund balances are reasonable, there are potential risks to the City's fiscal stability. These include low fund balances, economic conditions, labor costs and staffing challenges, and unexpected events.

"We are proud to approve Mayor Parker's first Five-Year Financial Plan," said Kevin Vaughan, Chair of the PICA Board. "This Plan showcases a commitment to addressing both immediate and long-term financial challenges and community needs."

The collaborative effort between the City and PICA in developing this Plan and ongoing monitoring of the City's finances highlights the dedication of both entities working together to maintain and enhance the City's fiscal condition, a necessary foundation for improving the quality of life in Philadelphia.

"The City must be vigilant in maintaining positive fund balances and remaining committed to sound budgetary practices," said PICA Vice Chair Alan Kessler, Esq. "But with this Plan, Philadelphia is well-positioned to navigate future challenges and seize opportunities for progress. The investments in Mayor Parker's signature initiatives can improve communities today and enhance the City's fiscal condition."

In addition to the Plan approval, the election for officers of the PICA Board was held. Kevin Vaughan was re-elected Chair, Alan C. Kessler, Esquire, re-elected Vice Chair, Michael Karp re-elected Treasurer/Secretary and Roz Sutch, re-elected Assistant Treasurer/Secretary. For more information about the Five-Year Financial Plan and PICA's role in supporting the City of Philadelphia's fiscal health, please visit www.picapa.org.

About PICA

The Pennsylvania Intergovernmental Cooperation Authority (PICA) is an independent state authority established by the Pennsylvania General Assembly in 1991. PICA's mission is to ensure the long-term fiscal stability of the City of Philadelphia and the continuing provision of essential services to its residents.

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About this Press Release: This release includes content generated and edited by Marisa Waxman using ChatGPT.