

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Resolution No. 2024 - 07
February 20, 2024

WHEREAS, pursuant to the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class (the Act of June 5, 1991, P.L. 9, No. 6), as amended (the "Act"), the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") is required to adopt, by affirmative vote of a qualified majority of its governing board, an operating budget for the ensuing fiscal year; and

WHEREAS, an operating budget of the Authority for its fiscal year ending June 30, 2025 has been prepared by the Authority and submitted for approval to the governing board at this meeting; and

WHEREAS, the governing board of the Authority desires to approve and adopt such operating budget;

NOW THEREFORE, BE IT RESOLVED:

. The board of the Authority hereby approves and adopts the operating budget of the Authority for its fiscal year ending June 30, 2025 in the form submitted to this meeting and attached hereto as Exhibit A. The board of the Authority hereby authorizes and directs the Chairperson or Vice Chairperson of the board to submit such approved operating budget to the Governor and the General Assembly of the Commonwealth of Pennsylvania in accordance with the requirements of the Act.

2. All prior resolutions or parts of prior resolutions not in accordance with this Resolution are hereby repealed insofar as they conflict herewith.

3. This Resolution shall take effect immediately.

MOVED: Ms. Sutch

SECONDED: Mr. Kessler

APPROVED: Yes

Qualified Majority Required: Y x N

| Vote: | <u>YES</u> | <u>NO</u> | <u>ABSTAIN</u> |
|---------|---------------|---------------|----------------|
| Burns | <u>X</u> | <u> </u> | <u> </u> |
| Karp | <u> </u> | <u> </u> | <u> </u> |
| Kessler | <u>X</u> | <u> </u> | <u> </u> |
| Sutch | <u>X</u> | <u> </u> | <u> </u> |
| Vaughan | <u>X</u> | <u> </u> | <u> </u> |

**EXHIBIT A TO
BOARD RESOLUTION**

**PICA OPERATING BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2025**

(Attached)



Proposed FY25 Budget

Budget: Fiscal Year Ending June 30, 2025

FY25 PICA Budget

Revenues

| | | |
|---|----|-----------|
| Use of Existing Operating Account Surplus | \$ | 1,783,000 |
| Total Revenues | \$ | 1,783,000 |

Expenditures

| | | |
|-----------------------------|-----------|------------------|
| Personnel Costs | \$ | 1,040,000 |
| Professional Services | \$ | 240,000 |
| Additional Oversight Duties | \$ | 200,000 |
| Rent | \$ | 100,000 |
| Other | \$ | 103,000 |
| Moving Expenses | \$ | 25,000 |
| Capital Outlay | \$ | 75,000 |
| Total Expenditures | \$ | 1,783,000 |

Information Required to Be Submitted with the PICA Operating Budget *(as outlined in Section 206 of the PICA Act)*

- **Debt Service for Authority Bonds:** the total amount of debt service to become due on authority bonds for such ensuing fiscal year, including payments of interest and principal, maturity value or sinking fund payments.
 - **There are no outstanding bonds at this time.** PICA Special Tax Revenue Bonds (City of Philadelphia Program) have been fully paid as of June 30, 2023.
- **Amount Due Providers of Credit or Liquidity Facility:** the amount, if any, due to any provider of any credit or liquidity facility representing payments made by such provider as provided in the applicable resolution or trust indenture as a result of any previous failure of the authority to make any payment provided for in the applicable resolution or trust indenture, including any related reasonable interest, fees or charges so provided.
 - **There are no outstanding bonds at this time.** PICA has defeased all of its current variable rate debt. It is estimated that PICA will not need to make any payments to providers of Credit or Liquidity Facility.
- **Amount Required to Restore Debt Service Reserve Fund:** the amount, if any, required to restore the debt service reserve fund to the level required under section 313 and the resolution of the authority establishing such fund.
 - **There are no outstanding bonds at this time.** No amount has been budgeted.
- **Arbitrage Rate Requirements:** the amount, if any, required to be rebated to the United States to provide for continued Federal tax exemption for bonds of the authority.
 - **There are no outstanding bonds at this time.** No amount has been budgeted.

Budget Highlights & Key Assumptions

Key Assumptions

- 5 staff positions (4 currently filled).
- No new bond issuance.
 - A bond issuance would trigger costs for staff, financial advisors, bond counsel, underwriters...
- Assumes rent reduction based on proposals received.
- All costs covered by existing surplus in the operating account from prior year underspending.
 - PICA no longer has a debt service reserve. Interest on that account previously funded PICA operations.

Highlights

- Overall budget reduced by 1%, excluding potential one-time moving costs.
- PERSONNEL: Supports planned health benefit increases per Commonwealth and annual COLA for staff.
- PROFESSIONAL SERVICES: Adds ongoing web maintenance for security and one-time site refresh.
- OTHER: Adds resources for staff professional development to increase skills and capacity. Supports a return to in-person PICA events.
- MOVING EXPENSES/CAPITAL OUTLAY: Adds adequate funding for moving, wiring, and FFE should PICA's Board approve a lease that requires moving.

Detail of Estimated FY25 Expenditures



Personnel

\$1,040,000

Annual Salaries \$620K
Benefits \$390K
Salary Adjustments \$30K



Professional Services

\$240,000

Legal \$60K
Audit/Accounting \$75K
Consulting/Research \$25K
IT Support \$25K
Web Design/Hosting \$40K
Trustee Fees \$15K



Oversight Duties

\$200,000

Outside Expertise \$200K



Rent

\$100,000

Rent \$100K



Moving Expenses

\$25,000

Moving Expenses \$25K



Other

\$103,000

General Admin (incl. PICA events and advertising) \$37K
Professional Development/Conf. \$30K
Computers/Software \$24K
Internet/Phone \$6K
Office Supplies \$2K
Subscriptions \$2K
Postage \$1K
Travel \$1K



Capital Outlay

\$75,000

Capital Outlay \$75K

Expenditure Trend Summary

| | FY23 Actual | FY24 Approved | FY25 Proposed | FY24->FY25 \$ Increase | FY24->FY25 % Growth |
|-----------------------|---------------------|---------------------|---------------------|---------------------------|------------------------|
| Personnel Costs | \$ 711,159 | \$ 1,080,000 | \$ 1,040,000 | \$ (40,000) | -3.7% |
| Professional Services | \$ 148,802 | \$ 200,000 | \$ 240,000 | \$ 40,000 | 20.0% |
| Additional Oversight | \$ - | \$ 235,000 | \$ 200,000 | \$ (35,000) | -14.9% |
| Rent | \$ 123,124 | \$ 130,000 | \$ 100,000 | \$ (30,000) | -23.1% |
| Moving Expenses | \$ - | \$ - | \$ 25,000 | \$ 25,000 | 100.0% |
| Other | \$ 34,189 | \$ 47,500 | \$ 103,000 | \$ 55,500 | 116.8% |
| Capital Outlay | \$ - | \$ 2,500 | \$ 75,000 | \$ 75,000 | 2900.0% |
| Total | \$ 1,017,274 | \$ 1,695,000 | \$ 1,783,000 | \$ 88,000 | 5.2% |