

# PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

## Minutes of the Meeting of the Board

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November 19, 2024

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The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (PICA) was held on Tuesday, November 19, 2024, in the PICA board room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

### Attendees

Board: Kevin Vaughan, Alan Kessler, Esq. (via Zoom), Rosalind W. Sutch, CPA, MT (via Zoom), Rob Dubow (*ex officio*) (via Zoom) and Natalie Krug (*alternate ex officio*) (via Zoom)

Staff: Marisa Waxman, Rob Call, Suzanne Staherski, and Deidre Morgenstern

Invited Guests: Sabrina Maynard, Budget Director (via Zoom), Kate McGlinchey, Chief of Staff and Deputy Director of Finance (via Zoom), Marcel Pratt, Esq., Ballard Spahr

### Call to Order

Mr. Vaughan called the meeting to order at 12:17 p.m.

Mr. Vaughan reminded Board members that their re-appointment letters are required before January 30<sup>th</sup>, within 60 days after PICA Board members' terms expire on November 30, 2024. As in the past, PICA staff will send a reminder to each appointing authority of the appointments. He added that Board members should follow up with the appointing authorities.

### Approval of Minutes

Ms. Sutch made a motion to approve the minutes from the meeting of October 22, 2024. Mr. Kessler seconded the motion. The motion passed 3-0.

### Updates from the City of Philadelphia

Mr. Dubow discussed the City's unaudited FY24 Annual Financial Report (AFR), and the Quarterly City Managers Report for the first quarter of FY25.

Mr. Dubow stated that the FY24 fund balance was \$943 million, \$314 million higher than prior estimates. The increase is primarily due to a higher ending fund balance driven by staffing vacancies, which accounted for \$200 million, as well as higher than expected interest earnings. Mr. Kessler asked if the current staffing level of the City's workforce is the new reality. Mr. Dubow answered that the City will continue efforts to fill positions, but significant growth is unlikely. He added that the City will continue to rely on overtime usage and outside vendor contracts when necessary.

Mr. Dubow discussed the Quarterly City Managers Report for the first quarter of FY25. He stated that some changes were made increasing estimates for the fund balance and spending. The Report indicates a slight reduction in revenues, notably the Realty Transfer Tax and Net Profits Tax, as compared to the approved FY25-29 Five-Year Plan. Mr. Dubow continued stating that additional funding will be set

aside for indemnities, the labor reserve, and wellness centers. The City is preparing a full briefing on the Wellness Centers for PICA staff.

### **Executive Director's Report**

Ms. Waxman stated that PICA Staff has been reviewing the City's new financial reports. As Mr. Dubow stated, the FY24 Annual Financial Report has an ending balance of \$314 million above prior estimates largely due to underspending on personnel costs due to vacant positions. The Quarterly City Managers Report for the first quarter of FY25 notes that the additional \$314 million is incorporated into the budget by offsetting \$16 million in lower revenues and the addition of \$224 million in spending, increasing the expected fund balance by \$74 million.

Ms. Waxman stated that PICA's Fall Forum: Intergovernmental Cooperation in a Post-COVID World was exceptionally well attended and informative.

Ms. Waxman advised the Board of PICA's publications produced since the last meeting, as well as upcoming publications and events.

Ms. Waxman stated that the PICA staff released Fact Sheets on several City funds other than the General Fund including the Transportation Fund, Capital Fund, Housing Trust Fund and Grants Fund. The staff also produced Fact Sheets on the AFR and proposed tariffs that could impact the City's budget and services.

Ms. Waxman advised the Board that the LIBOR cases are resolved with PICA due to receive a share of the \$15,000 settlement from UBS to PICA and the City and dismissing the case with RBS.

Ms. Waxman stated that PICA staff met with PIDC regarding amendments to the Market East Gallery tax increment financing. She added that the Philadelphia Code requires the City to provide information for review. Ms. Waxman will provide a memo advising the Board Chair of PICA's assessment.

The PICA staff published the October eNewsletter, and now have 743 subscribers. PICA also has 495 LinkedIn followers, close to the FY25 goal of 500 followers.

In accordance with the Board's approval of the October resolutions for outside expertise and services, PICA negotiated a contract with Guidehouse to provide analysis on the City's municipal grant administration practices, and Karma Dharma is in the process of upgrading and redesigning PICA's website.

Ms. Waxman reminded the Board that PICA will host the "Dorking Out with Data and Dumplings" event on Thursday, November 21<sup>st</sup> to collaborate with City and regional professionals who work with public datasets and discuss methods for analyzing and visualizing fiscal data.

Ms. Waxman advised the Board that PICA Staff will testify at City Council's Committee on Fiscal Stability meeting on December 10<sup>th</sup>.

PICA staff will be producing Fact Sheets on Quarter One of the Quarterly City Manager's Report and Overtime Report.

**Treasurer's Report**

PICA's spending through October was 27 percent of the FY25 operating budget. Rent is lower thus far in FY25 due to the free months negotiated as part of the new lease. Due to the contract negotiated with Guidehouse, \$175,000 of the \$200,000 appropriated to Additional Oversight will be expended by the fiscal year end. Ms. Waxman added that salaries and benefits were the largest expenditure in October due to the timing of payments for five pay periods.

The current Operating Account balance is \$3 million. PICA's FY25 operations are fully funded, and the City will receive 100 percent of PICA Tax collections. Through November 1<sup>st</sup>, the City received \$241 million of PICA Tax revenues.

Ms. Waxman advised the Board that PICA moved to a cloud-based version of QuickBooks for bookkeeping.

Mr. Vaughan stated that the next Board meeting is Tuesday, January 21, 2025. He reminded Board members of their re-appointment letters. Ms. Waxman stated that she will be in contact with PICA's general counsel regarding the Board members' service past their appointment terms. Mr. Kessler requested reminder letters to appointing authorities. Ms. Waxman replied that she will ensure reminder letters are circulated.

**Public Comment**

None

**New Business**

None

**Adjournment**

Mr. Vaughan made a motion to adjourn. Ms. Sutch seconded the motion.

The meeting was adjourned at 12:32 p.m.