

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

October 21, 2025

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (PICA) was held on Tuesday, October 21, 2025, 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), Patrick Burns (via telephone), Rob Dubow (*ex officio*) (via Zoom), Sabrina Maynard, Budget Director (*alternate ex officio*) (via Zoom), Uri Monson (*ex officio*) (via Zoom)

Staff: Marisa Waxman, Rob Call, Octavia Geiger, and Deidre Morgenstern

Invited Guests: Jennifer CruverKibi, Maher Duessel, Commissioner Susan Slawson, Parks & Recreation (via Zoom), Bob Allen, Deputy Director, Parks & Recreation (via Zoom), Skye Nickalls, Esq., Ballard Spahr

Call to Order

Mr. Vaughan called the meeting to order at 12:19 p.m.

Mr. Vaughan stated that Mr. Burns will be attending the meeting via telephone shortly.

Approval of Minutes

Mr. Kessler made a motion to approve the minutes from the annual meeting of July 28, 2025. Ms. Sutch seconded the motion. The motion passed 3-0.

Updates from the City of Philadelphia

Mr. Dubow stated the City has corresponded with PICA regarding negotiated collective bargaining agreements and is approximately one month from concluding the arbitration with the Firefighters union. Mr. Dubow also stated that the Realty Transfer Tax collections were lower than expected in the first quarter. The City will continue to monitor this matter. He added that the City will release the FY25 Annual Financial Report next week with an updated FY25 fund balance. Ms. Maynard advised the Board of the economic impact of the DC33 work stoppage, estimating a net cost of \$5.4 million. Mr. Dubow also mentioned that should the state budget impasse continue to the end of the calendar year, along with the federal shutdown, it could lead to cash flow issues for the City, potentially requiring short-term borrowing. Ms. Waxman noted that these costs are incorporated into the Five-Year Plan. Mr. Dubow added that the City has seen little impact from federal policy and budget issues, but they do not

have data on the furloughs beginning October 1st and are unable to assess the impacts of the eventual federal budget.

Mr. Monson provided an update on the ongoing state budget negotiations. He expressed cautious optimism regarding a potential resolution in the near future because the Senate was in session. When an agreement is reached, the Commonwealth is prepared to move payments quickly with large payments issued within ten days. Funding for the counties and school districts are the priority since they are the most adversely affected.

Mr. Kessler asked if the message is getting through that the counties are low on funds. Mr. Monson replied that human services and non-profits are heavily impacted. The Philadelphia School District has undertaken \$1.5 billion in short-term borrowing, \$1 billion more than a typical year, with an associated additional \$30 million in interest costs. Mr. Monson stated that it would be extremely helpful for legislators to hear from the Chamber of Commerce and others regarding the local impacts. Mr. Kessler asked if there is an update from the Chamber of Commerce. Mr. Dubow answered that he will ensure that the Chamber is fully informed of the negative impact of the state budget delay.

Mr. Kessler inquired as to the City's current staffing level. Mr. Dubow answered that the staffing levels have increased, citing Sanitation as an example at 90 percent, previously at 80 percent. Ms. Maynard added that there has been substantial progress since the new Administration took office. The data will be included in next month's Quarterly City Managers Report. Mr. Kessler inquired as to the impact on the FY26 overtime budget with the upcoming City events. Mr. Dubow stated that the City has set aside several million dollars for FY26 and FY27 as a cushion due to unprecedented event activity. The impact could be higher with the number of events scheduled. Mr. Vaughan added that the number of scheduled events is immense with most venues scheduling events for the country's 250th anniversary.

Mr. Kessler inquired as to the loss of federal funding. Mr. Maynard answered that there have been interruptions, but few losses of funding since grant agreements are in place.

Ms. Waxman noted that PICA anticipates a material increase in the City's FY25 fund balance, hopefully large enough to offset the cost of the upcoming firefighters' contract and low Realty Transfer Tax collections, as well as a cushion in the out years of the Five-Year Plan for new labor agreements.

Presentation - Cobbs Creek Capital Funding Request

Ms. Waxman stated that in the early 1990s, PICA borrowed \$1.1 billion to assist the City in a fiscal crisis and fund emergency capital projects. The bonds are retired and approximately \$9 million in residual bond proceeds remain in PICA's Encumbered Funds Accounts due to underspends on capital projects and interest earnings. The City is requesting the surplus bond proceeds to leverage other grant and private resources towards funding the Cobbs Creek Wetland Mitigation Project. With disbursement of the funds, PICA can close the Encumbered Funds Accounts. The 2022 amendments to the PICA Act updated the criteria for the use of funds – the projects now are only required to be capital in nature. PICA has received an attestation from the Budget Director that the project is capital in nature, as required by the PICA Act.

A slide presentation was presented by Parks and Recreation Commissioner Susan Slawson and Deputy Director Bob Allen, detailing the Cobbs Creek Wetland Mitigation Project. Commissioner Slawson and Mr. Allen presented the project's history, current progress, and future plans, emphasizing its educational mission and community impact.

Mr. Kessler stated that his firm, Duane Morris, has donated to the project and he has toured the site. He added that this is a very impressive product. Mr. Monson stated that he has visited twice, and it is an amazing site. Mr. Vaughan stated that he is shifting the order of the agenda items to ensure a quorum of the Board is present for consideration of the next resolution on the meeting agenda.

Public Comment

None

Resolution 2026-06 – Approval of Funding for Additional Capital Projects

Mr. Burns made a motion to approve the resolution. Mr. Kessler seconded the motion. The motion passed 4-0 in a roll call vote.

Executive Director's Report

Ms. Waxman advised the Board that the FY25 audit is complete with PICA receiving a clean opinion from the independent auditors. Ms. Waxman stated that PICA released the FY25 Annual Report in early October. It has been shared with certain elected officials and will be published in the Pennsylvania Bulletin as required by the PICA Act.

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

Ms. Waxman advised the Board that PICA staff published the Quarterly City Manager's Report for the fourth quarter, Overtime Report for the fourth quarter of FY25 and Overtime Fact Sheets. PICA staff also released white papers on pension funding, benchmarking reserve levels against comparison cities (Ms. Waxman acknowledged Ms. Geiger's dedication and effort), a blog piece on the City's most recent credit ratings, and a white paper on the City of Philadelphia's General Fund investments in economic development titled Catalyzing Growth.

Ms. Waxman stated that PICA's Fall Forum: Turning Cooperation into Growth is scheduled for Tuesday, October 28th. PICA has a great panel and a strong level of registrations, with the event put together by PICA Deputy Executive Director Rob Call. The topic was developed in consultation with Mr. Dubow, Ms. Maynard, and the Commerce Department leadership.

PICA staff is in regular communication with City financial leadership as it navigates the state and federal budget impasses, progress on the H.O.M.E. Initiative, and labor agreements. Ms. Waxman added that the latest agreement has depleted the remaining Labor Reserve funds with IAFF and outyears unaccounted-for.

Ms. Waxman continued stating that both she and Mr. Call have had speaking engagements/guest lectures regarding Philly Fiscal Oversight. PICA staff briefed City Council staff on the PICA Staff Report of the Five-Year Plan. PICA staff are also engaging and learning through participation in the Philadelphia Council on Business Economics, the Greater Philadelphia Leadership Exchange, and the Philadelphia Committee on City Policy. PICA is creating places for convening by hosting events such as Let's Taco 'Bout Data held in September.

The PICA staff eNewsletter now has 900 subscribers and LinkedIn followers have increased to 702.

Mr. Vaughan announced an executive session at 1:10 pm to discuss a personnel matter. At this time, all PICA staff and City representatives left the meeting.

The Executive Session ended at 1:19 p.m. and the meeting resumed.

Resolution 2026-07 – Consideration and Vote - Executive Director Compensation

Mr. Vaughan stated that Ms. Waxman's performance as Executive Director has been commendable. This resolution authorizes a 3.3 percent salary increase in Ms. Waxman's current salary and an increase in her sick accrual at the rate of 9.3 percent of all regular hours worked, not to exceed 24.3 days of paid sick leave per year. The salary increase is equal to the FY26 PICA staff cost of living increase granted in July 2025.

Ms. Sutch made a motion to approve the resolution. Mr. Burns seconded. The motion passed 4-0 in a roll call vote.

Mr. Burns left the meeting at 1:20 p.m.

Continuation of Executive Director's Report

Ms. Waxman continued stating that PICA staff will be releasing fact sheets on City financial data. PICA also anticipates that the FY25 fund balance will be revised to be higher than earlier projections. Staff deems that once the City reaches an agreement with the firefighters, the City will be required to submit a revised FY26-30 Five Year Plan for PICA review and Board approval since the terms of that agreement are likely to exceed the lowest fund balance in the approved Five-Year Plan, resulting in a negative balance.

Treasurer's Report

Ms. Waxman thanked the PICA Staff, and particularly Deidre Morgenstern, for the production of the FY25 financial statements and annual report. PICA's spending through the first quarter of FY26 is 16 percent of the \$1.69 million adopted FY26 operating budget. Rent is lower in the first quarter due to two free months negotiated as part of the new lease.

In the first quarter of FY26, the City received approximately \$180 million in PICA Tax receipts. The City's estimates \$769 million in PICA Tax receipts for the year.

Presentation of the FY25 Audit by Maher Duessel

PICA's auditor, Jennifer CruverKibi of Maher Duessel, presented PICA's financial statements and their independent audit opinion. PICA received an unmodified (clean) opinion, the best possible outcome. Ms. CruverKibi noted that a key change in FY25 is that office leases are now recorded as both an asset and a liability. In FY26, PICA is required to evaluate the impact of two new GASB statements: Number 103, Financial Reporting Model Improvements and Number 104, Disclosure of Certain Capital Assets.

New Business

None

Adjournment

Mr. Vaughan advised the Board members that the next PICA Board Meeting is Tuesday, November 18th at 12:15 p.m.

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

The meeting was adjourned at 1:30 p.m.