

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

November 18, 2025

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (PICA) was held on Tuesday, November 18, 2025, in the PICA board room located at 1500 Walnut Street, 16th Floor, Philadelphia, Pennsylvania.

Attendees

Board: Kevin Vaughan, Alan Kessler, Esq., Michael Karp (via telephone), Rosalind W. Sutch, CPA, MT, (via Zoom), Rob Dubow (*ex officio*) (via Zoom), Uri Monson (*ex officio*) (via Zoom)

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

Invited Guests: 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 12:15 p.m.

Approval of Minutes

Mr. Kessler made a motion to approve the minutes from the meeting of October 21, 2025. Ms. Sutch seconded the motion. The motion passed 3-0.

Mr. Karp joined the meeting at 12:21 p.m.

Updates from the City of Philadelphia

Mr. Dubow reported that the City released its FY25 Annual Financial Report (AFR) in October. The City ended FY25 with a record General Fund balance of \$1.19 billion, more than twice the level anticipated in the FY25 Adopted Budget, and exceeding the GFOA recommended levels for reserves. Mr. Dubow stated that with the adoption of a state budget and reopening of the federal government, the City is less apprehensive about its cash flow. Mr. Dubow added that since the City did not utilize the \$95 million set aside in FY25 for the loss of federal funding, the Administration plans to request City Council allocate \$91 million as a Federal Funds Reserve in FY26, with \$4 million having been used to support emergency SNAP replacement needs during the federal government shutdown. Revenues increased by \$78.9 million (1.2 percent). Major drivers were BIRT and Realty Transfer Taxes that were \$102 million higher than expected, and lower than expected state, federal, and Wage Tax collections. Spending was lower than estimated, by \$251 million (-3.8 percent). Most of the underspend (\$109.7 million) resulted from ongoing staff vacancies that reduced salary and benefit costs.

Mr. Dubow continued stating that the Q1 Quarterly City Managers Report projections indicate a \$638 million General Fund balance in FY26, \$168 million higher than previously projected.

Mr. Kessler asked if the Administration anticipates City Council spending requests from the General Fund balance. Mr. Dubow replied that they have not received any specifics, but understands there is interest from Council, which may be discussed at an upcoming Fiscal Stability hearing.

Mr. Kessler inquired as to any loss of federal funding due to the federal shutdown. Mr. Dubow answered that the City did not experience a loss of funding.

Mr. Kessler inquired as to the City's current staffing level. Mr. Dubow answered that the staffing levels have increased by 1,600 positions, adding that there has been substantial progress since the new Administration. Mr. Vaughan asked if retirements have decreased. Mr. Dubow answered in the affirmative.

Mr. Vaughan invited Mr. Monson to update the Board members on the passage of the state budget. Mr. Monson stated that the budget is completed and signed. Two items remain outstanding, Temple University and Penn State University funding will be voted on soon. He continued stating that the Commonwealth is prepared to move payments of \$1.4 billion today and tomorrow. Payments to the Philadelphia School District will be issued next week. Funding priorities include education, 2026 events, Medicaid and Medicare, and the Working Pennsylvanians Tax Credit. Mr. Vaughan stated that many people will require assistance completing the tax credit application. Mr. Monson responded that since the form mirrors the federal Earned Income Tax credit form, residents should not have added difficulty. However, there will be collaboration with nonprofits to assist residents. Mr. Karp requested outreach information for assistance with tax preparation. Mr. Monson ensured that he would receive this information.

Mr. Kessler inquired as to the funding for cyber charter schools. Mr. Monson responded that there is an estimated \$175 million in cost reductions for cyber charter schools across all Commonwealth districts.

The Board members congratulated Mr. Monson on the passing of the state budget.

Executive Director's Report

Ms. Waxman advised the Board that PICA held its Fall Forum, *Turning Cooperation into Growth*, which was well attended and informative. The conversation covered the identification of industries Greater Philadelphia should prioritize to capture growth. The panelists and audience explored ideas such as regionalizing the community college system, the need for the private sector to drive the growth agenda, and the importance of intergovernmental cooperation. In conjunction with the event, PICA staff released an issue brief entitled "Catalyzing Growth: Tracking General Fund Investments in Economic Development," wherein PICA staff recommends enhanced strategic planning, evaluation, and reporting.

Ms. Waxman continued advising the Board that PICA staff reviewed the City's Annual Financial Report and released a fact sheet on the key points. The fact sheet noted that the City ended FY25 with a higher-than-expected fund balance of \$1.19 billion, exceeding the GFOA recommendation for reserves as a percentage of revenues, as well as the increase driven by ongoing staffing vacancies and revenues from BIRT and RTT.

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Ms. Waxman advised the Board that PICA is in the process of migrating to the cloud to work more efficiently and eliminate some data backup and server costs.

Ms. Waxman noted that she was a guest speaker at Master of Public Administration classes at both Temple University and the University of Pennsylvania and spoke on the role and impact of PICA.

Ms. Waxman stated that she attended the National Academy of Public Administrators, which included sessions on state and local government capacity and cooperation in a shifting federal landscape. Mr. Call attended events on debt-induced fiscal crises and the Philly Housing Accelerator Fund. Ms. Geiger took part in data visualization training.

Ms. Waxman continued stating that PICA staff will soon release fact sheets on the Quarterly City Managers Report for the first quarter of FY26 and the Overtime report as well as a report on staffing levels updating PICA's 2023 report.

Ms. Waxman added that she will be testifying at City Council's December Fiscal Stability hearing. Mr. Kessler inquired as to the Fiscal Stability hearing. Ms. Waxman replied that the committee has been on hiatus, but the hearing was scheduled after the release of the Quarterly City Managers Report.

Mr. Vaughan stated that the Fall Forum was an excellent event with extremely interesting panelists. Ms. Waxman added that PICA's panelists were from a wide range of cities including Columbus, Detroit and Atlanta. Mr. Karp stated that he recalls Ron Kaplan receiving immense cooperation in South Carolina facilitating his development in that state, contrasting with Philadelphia. Mr. Kessler stated that Donovan West of Mayor Parker's Administration is extremely helpful in assisting businesses with this process.

Treasurer's Report

Ms. Waxman stated that PICA's spending through the first four months of FY26 is under \$450,000, 27 percent of the FY26 operating budget. This month's expenses included costs for the Fall Forum and the final FY25 audit payment.

Through October, the City received approximately \$250 million in PICA Tax receipts.

Public Comment

None

New Business

None

Adjournment

Mr. Vaughan advised the Board members that the next PICA Board Meeting is Tuesday, January 20th at 12:15 p.m.

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Mr. Vaughan wished Happy Holidays to all.

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

The meeting was adjourned at 12:35 p.m.