

# PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

## Minutes of the Meeting of the Board

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March 17, 2026

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The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority (PICA) was held on Tuesday, March 17, 2026, 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), Sabrina Maynard, Budget Director (*alternate ex officio*) (via Zoom)

Staff: Marisa Waxman, Rob Call, and Deidre Morgenstern

Invited Guests: Michael McDonald, Esq., Ballard Spahr

Members of the Public: Colin Stayna-Winter (via Zoom)

### Call to Order

Mr. Vaughan called the meeting to order at 12:15 p.m.

Mr. Vaughan stated that he and Mr. Kessler attended Mayor Parker's announcement of the City's investment in the Cobbs Creek restoration project and mentioned Mr. Kessler's picture on the front cover of the Philadelphia Tribune. Mr. Kessler and Mr. Vaughan stated that Mayor Parker acknowledging PICA's collaboration with the City was much appreciated, as PICA plays a pivotal role in the City's fiscal health and does not always receive well-deserved recognition. Mr. Dubow stated that recognizing PICA's efforts in this investment was especially important to the Mayor.

### Approval of Minutes

Mr. Kessler made a motion to approve the minutes from the meeting of February 17, 2026. Mr. Vaughan seconded the motion. The motion passed 3-0.

### Updates from the City of Philadelphia

A slide presentation detailing the City's Proposed FY27-31 Five-Year Plan and Recommended FY27-32 Capital Program was presented by Mr. Dubow and Ms. Maynard. Ms. Maynard stated that the Plan proposes \$2.2 billion in new targeted investments and reflects the Administration's top priorities such as public safety, clean and green programs, economic opportunity, education, workforce development, housing, and wellness.

Ms. Maynard continued stating that the Plan allocates \$641.7 million in new operating investments through FY31. The City projects authorization of \$281.2 million in new General Obligation (GO) borrowing in FY27. Total authorized new GO borrowing over the FY27-32 Capital Program is projected to be \$1.51 billion. Funds throughout the Program will support projects including street paving, installation of ADA ramps on sidewalks, traffic signals and street lighting, libraries, parks,

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and recreation centers. Over five years, \$211 million in opioid funds will be devoted to the Wellness Ecosystem. The Proposed Plan includes borrowing two \$400 million borrowings for Mayor Parker's \$2 billion H.O.M.E. Initiative, new housing investments, including new Land Bank support, a Proactive Rental Inspection Program, targeted marketing funds, and strategies to increase the housing supply (via \$10 million in capital for new modular factory housing production, a 20-year tax abatement for residential conversions, and the transfer of vacant school buildings to the City).

Ms. Maynard stated that the Proposed Plan calls for \$15 million over five years to create a new Economic Mobility Cabinet, one thousand new Career Connected Learning slots for City youth, \$14 million over five years for financial counseling and empowerment services in alignment with the H.O.M.E. Initiative, and \$10 million in FY27 for workforce development investments. The Proposed Plan also allocates \$22 million in FY27 (\$110 million over five years) to expand the number of shelter beds by one thousand and provide wrap around services (funded by a proposed increase to the Hotel Tax), and increased funding for Code Blue operations.

Ms. Maynard continued stating that the City is proposing additional teams to address community needs, including pothole crews (funded by a proposed retail delivery fee) and a Police Quality of Life team, dedicating resources to illegal dumping enforcement and maintaining new highway beautification investments.

Ms. Maynard added that through the Capital Program \$33 million is dedicated to Library HVAC investments and \$179 million for Parks and Recreation.

The Proposed Plan allocates \$6.5 million to expand PHL PreK by 100 seats, the expansion of the Extended Day, Extended Year program to two additional charter schools, an additional \$1.6 million operating support for the Community College of Philadelphia along with \$250,000 yearly for dual enrollment. The Plan also proposes \$12 million yearly in new funding for the School District, via a local Transportation Network Company Tax and a modification to the Use & Occupancy Tax for cell towers.

The Plan proposes \$900 million in allocations to SEPTA which includes \$752 million in operating support, \$79 million in capital support, \$10 million in FY27 for a SEPTA benefit for City employees, and \$25 million in FY27 for Zero Fare.

Ms. Maynard added that the City proposes \$25 million in FY27 for public safety grants to community partners and grass roots organizations, \$30 million for Vision Zero investments for safer streets, and additional targeted investments in Police, Fire, and Prisons.

Ms. Maynard stated that \$615 million will be set aside in the Labor Reserve dedicated to collective bargaining agreements over the life of the Proposed Plan, the most Labor Reserve funding ever allocated in a Five-Year Plan.

Mr. Dubow stated that this Proposed Plan takes proactive steps for long-term fiscal health, maintaining positive fund balances, and a commitment to pension reform and strategic investments. He added that the Proposed Plan includes two contributions to the Budget Stabilization Reserve Fund and allocates \$91 million in a Federal Funding Reserve in FY26. The City is navigating the challenges of federal funding uncertainty, economic volatility, and a legacy pension obligation bond balloon payment in FY29. This Proposed Plan also defers the transfer of roughly \$94 million in ARPA interest earnings to FY29 as an

additional hedge against the risk of reduced federal funding. Mr. Dubow also expanded on new revenue streams including the proposed Hotel Tax increase and retail delivery fee.

Ms. Maynard explained the impact of ARPA funding on revenue figures and emphasized that the PICA Wage Tax continues to be the largest source of revenue. Mr. Dubow noted that the Proposed Plan would likely change after discussions with City Council, the receipt of updated revenue estimates, and results of the pension experience study.

Mr. Vaughan thanked Mr. Dubow and Ms. Maynard and asked the Board for questions regarding the presentation.

Mr. Kessler stated that it is significant that the City is confronting the homelessness issue, but outreach is essential. He asked if funding for outreach has increased. Mr. Dubow answered that outreach has increased and that shelter facilities are being updated and improved in response to challenges outreach workers have come up against.

Mr. Kessler raised a concern with the Transportation Network Company Tax considering the rising oil prices and the impact of the War on Iran. Mr. Dubow noted that this is a good question. However, the tax on rideshare services would not take effect for over a year, and the situation may stabilize prior to the implementation of this proposed tax increase of 20 cents per ride.

Mr. Kessler stated that the City seems to be anticipating new federal funding for infrastructure projects. Ms. Maynard clarified that the grants for infrastructure projects were from Biden-era grants. She added that it was a long process, but grant agreements are in place and have been upheld in court after funding rescissions were announced in some cases. The City is confident at this time that they will receive the federal funding included in the Proposed Plan and Recommended Capital Program.

Mr. Kessler reiterated that he is concerned with the loss of federal funding in light of City Council's proposed legislation to regulate Immigration and Customs Enforcement activities in the city. He added that the Administration should communicate with City Council that moving this legislation has the potential to put federal funds at risk.

Mr. Kessler inquired as to efforts to attract the 2028 Democratic National Convention. Mr. Dubow answered that funding has not been allocated but the City has the resources and will adjust the budget if Philadelphia is selected to host the Convention.

Mr. Kessler inquired as to the City's current staffing vacancy level. Ms. Maynard answered that the staffing levels have increased by approximately 2,000 positions and are at pre-pandemic levels. Mr. Kessler and Mr. Vaughan stated that the City should be observant of increases in overtime. Mr. Dubow added that overtime usage will increase with the City's planned events in 2026.

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

Ms. Waxman advised the Board that staff released three publications since the last Board meeting; the Quarterly City Managers Report Summary for the second quarter of FY26, Overtime Report for the second quarter of FY26, and the ACFR Fact Sheet.

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Ms. Waxman stated that in the past month, she presented at Pew's Emerging Leadership Corporation and to a class at Fels. She also attended a GFOA webinar on GASB 103, which PICA is required to implement for its FY26 audit. Mr. Call attended the Future of Cities event hosted by the University of Pennsylvania, the Cobbs Creek Restoration Project announcement, a meeting of the Philadelphia Council on Business Economics, and the March meeting of the Philadelphia Board of Pensions and Retirement.

Ms. Waxman continued advising the Board that the interview process for PICA's Research and Policy Analyst position is complete, and Lucie Christian has accepted PICA's offer for the position. She will be joining the staff on June 1st. Lucie is completing her MPA at Duke University where she has focused her work on budgeting and state and local taxation.

Ms. Waxman informed the Board that attorneys from Ballard Spahr are working with PICA staff to update PICA's employee handbook. It has been approximately twenty years since the last complete review. The update will ensure that the handbook aligns with current employment law and reflects the modifications in PICA's operations, current Commonwealth of PA employee benefits, technology, and best practices. The review should be complete prior to Lucie joining the staff.

PICA staff's attention will focus on analyzing the FY27 Budget and FY27-31 Proposed Five-Year Plan. Particularly with several new taxes proposed, the revenue analysis with Professor Swanson will be broader than in recent years. PICA staff will also meet with individual departments that have a material impact on the City's finances.

### **Treasurer's Report**

Ms. Waxman reported that PICA spending through February is 42 percent of the FY26 Operating Budget. The key expenditure drivers for February were the annual Microsoft 365 subscription fees and Trustee Fees for the encumbered capital funds accounts. The accounts will be closed once the City withdraws the Cobbs Creek funds. Ms. Waxman continued stating that she expects to end FY26 under budget, primarily due to staff vacancies and not contracting for outside expertise for fiscal oversight so far this year. She advised the Board that PICA staff are inquiring about potential changes to the office lease that may bring rent costs down. Funds will also be expended at the end of the fiscal year for the necessary replacement of outmoded computers. PICA's IT firm recommended delaying the purchases until May or June with the intention of avoiding recent increase in pricing.

Through February, PICA has remitted \$513.6 million in PICA Tax dollars to the City.

### **Public Comment**

None

### **New Business**

None

### **Adjournment**

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Mr. Vaughan advised the Board members that the next PICA Board Meeting is Tuesday, April 21st at 12:15 p.m.

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

The meeting was adjourned at 1:00 p.m.