

Legislation Text

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Authorizing the Committee on Finance to hold hearings regarding the scheduled termination of the Pennsylvania Intergovernmental Cooperation Authority.

WHEREAS, On June 5, 1991, the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) was created by the Commonwealth of Pennsylvania through the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class (“PICA Act”) to provide financial assistance to the City of Philadelphia in overcoming a severe financial crisis; and

WHEREAS, The PICA Act invested PICA with certain financial and oversight functions, including the power to issue bonds and grant or lend the proceeds to the City; and

WHEREAS, PICA was also given the power, in its oversight capacity, to exercise certain advisory and review powers with respect to the City’s financial affairs, including the power to review and approve five-year financial plans prepared at least annually by the City, which it has done each budget cycle since; and

WHEREAS, PICA has made available \$1.138 billion in direct assistance to the City through debt issuance and capital program earnings, which was allocated to deficit elimination and indemnities, capital projects, and retirement of certain high-interest debt; and

WHEREAS, PICA’s power to issue debt on behalf of the City has expired, but it has been able to issue refunding bonds, and grant or lend the proceeds to the City; and

WHEREAS, PICA is set to expire no later than 2023, after the maturation of the City of Philadelphia Funding Program Bonds; and

WHEREAS, PICA was designed to assist the City of Philadelphia with short-term financing, while overseeing a long-term financial planning process to restore the confidence of residents, public officials, and investors in the ability of the City to maintain financial stability - a mission at which it has excelled alongside the duly elected municipal government; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council does hereby authorize the Committee on Finance to hold hearings regarding the scheduled termination of the Pennsylvania Intergovernmental Cooperation Authority.