

MINUTES

Reading Parking Authority

28 April 2010

The Reading Parking Authority held their meeting on Wednesday, 28 April 2010 at 5:30 P.M. in their office at 613 Franklin Street, Reading, PA.

Board Members Present

George Cook, Chairman

Jack Lantrip, Vice Chairman

John M. Darlington, Treasurer, Secretary

Mike Polyak, Board Member

Mark Cianciosi, Board Member

Absent

Christina Gilfert, Finance Manager

Others Present

Lawrence Lee, Executive Director, RPA

James Lillis, Solicitor

Guest(s)

Valdis Lacis, Reading Eagle

Stephen Herzenberg, Keystone Research

Linda Himeback, Herbein and Company

The meeting was called to order by the Chairman of the Board at 5:32 PM.

Public Comments

Mr. Joe Scianna, resident of the 000 block of South Second Street, discussed the problems with the residential permit parking on this block. Mr. Scianna said that frequently he cannot find a place to park, especially in the evening. The executive director offered to have parking enforcement work late and ticket in the area to relieve the pressure on the residents parking on the block.

Guest

Ms. Linda Himback, Herbein and Company, presented an overview of the Authority's financials for 2009. The report indicated an improved financial posture for the Parking Authority with a \$597,477 net income after the \$4MM contribution to the City of Reading in 2009. The Authority will expect a significant increase in its bond debt for 2010 with the construction of the DoubleTree Convention Center garage to be completed on/about 26 August 2010. There was no compliance or internal control issues affecting the Authority discovered during the audit.

Mr. Stephen Herzenberg provided the board his draft report from Keystone Research relative to Act 47 and the Reading Parking Authority. The report had three major deliverables: review privatization of parking authorities as it relates to twenty-six other cities in PA that have filed for Act 47 status; review the Authority's finances over the past five years and their contributions to the City of Reading; research potential additional missions (line painting, towing, codes, etc.) for the Parking Authority. Mr. Herzenberg will pursue other potential missions that other authorities may have accepted after Act 47 status to assist in improving the financial postures for their respective cities before completing the deliverables to the Parking Authority. The solicitor cautioned Keystone to ensure other missions for Parking Authorities adhere to the Parking Authorities Act and stays within that scope or change the Act through legislative actions.

Reading and Approval of the Minutes

Motion 2010-10 was made by Mr. Lantrip to accept the minutes from the March meeting. The motion was seconded by Mr. Darlington. The motion passed.

Correspondence

None

Executive Director's Report

Convention Center Garage

The grant auditor made her second construction audit visit on 6 Apr 10. Steel certifications and, prevailing wage information has been forwarded to the auditor to resolve the previous audit compliance items.

The Authority received our first voluntary compliance request from the IRS on the Build America Bond. Due to the complexity of the document, it was completed by Concord Financial and Fulton Bank. The Authority will receive its first installment for the BAB in May and consequently we will immediately file for the 35% interest payment from the federal government.

Completion percentages for the garage are as follows: 59.2% for MBR; 84.5% for Whiting Turner's total of \$11,298,895; and 56.7% for Dual Temp's \$183,333. A total of \$3.1MM remains on the \$12.28MM contracts. The Authority has directly purchased electrical components from a local vendor in an effort to save on change order costs.

The Authority submitted our first grant draw for \$3.0MM on 10 Mar 10. Our second draw of \$903,000 was made on 14 April 2010.

The Parking Authority is awaiting action on the \$64,000 reimbursement for environmental cleanups from the Reading Redevelopment Authority.

The next construction update by the auditor will be in May.

Prevailing wages issues have been resolved with MBR and Dual Temp after fringe benefit information was provided. However, iron workers (subcontractor for Whiting Turner) were under paid \$2.10 resulting in back pay from the beginning of the project thru 2 April 2010 in the amount of \$10,491.21. A motion is required.

The Executive Director received an architect request for additional payment (\$20,000) due to bidding the job three times resulting in additional site visits and subsequent analysis of each bid.

The architect has also addressed a significant number of change orders thereby reducing overall construction costs. A motion is required.

Electricity Deregulation

The Parking Authority is seeking electricity quotes in anticipation of electricity deregulation on 1 January 2011. We have received a quote from the Pennsylvania Municipal League of Cities, but are seeking additional quotes from MET-ED and Berks Chamber of Commerce - Electricity PowerPool. Energy rates are at a record low and immediate feedback is needed to ensure the best future rates.

Clark Resources

The board tabled an action from the March meeting to hire Clark Resources for the remainder of the DoubleTree Construction project for \$5,000 per month which at this point would cost approximately \$15,000 (May thru July). The Chairman suggested tabling the initiative until the April meeting to await hearing from the solicitor. Clark Resources would encourage minority participation in the form of a report as well as make suggestions relative to changing existing subcontractors to minority and women participation. The Chairman, Mr. Cook, stated that our DoubleTree Convention Center garage project was too far along to hire Clark Resources. Further, recent expenses such as the \$860,000 repair to the 4th and Cherry garage does not lend itself to hiring Clark Resources. The solicitor also stated that current laws dictate that the Parking Authority take the lowest bids for construction projects and there really is nothing the Authority could do to force contractors to hire minorities and women for our construction projects.

P3 Resurfaces

The Executive Director recommended tabling this initiative until we officially review the deliverables from Keystone Research.

Bankruptcy

The Executive Director has filed bankruptcy paperwork to recover \$18,470 from Berks Behavioral Health. Berks Behavioral Health had fifty-five (55) parking spaces in our Poplar and Walnut garage. Payment is delinquent from September thru December 2009 inclusive.

Unemployment – Board of Review

Two employees filed an appeal with the unemployment board of review after they lost their unemployment hearing. Unfortunately, the referee due to a mechanical error did not record the two and one-half hour hearing. Consequently, the board of review has requested another hearing. The hearing was held on 26 April with our attorney requesting a continuance due to the absence of critical testimony from our finance manager who is out on maternity leave.

Bond Payment Due

Interest payments are due on all of our outstanding bonds/loans as follows:

2004 Note Metro Bank:	\$191,318
2006 Note Metro Bank:	\$30,615
2009 Note Fulton Bank:	<u>\$185,127</u> (estimate)
Total	<u>\$407,060</u> (estimate)

A motion is required to make the necessary payment on 15 May which is prior to our next board meeting.

Budget Review

The Executive Director will address the status of Budget/Revenue for 2010.

Operating Budget: The Authority is currently \$132,495 under budget. Wages are down \$69,000 due to eliminating one full time office employee. Temp Services were not programmed and consequently will grow with the 12 week absence of Christina. Some line items are paid annually (pension) and can skew the monthly snap shot.

Revenue Report: The Authority is \$65,000 behind our revenue from the same period last year. The \$92,000 deficit for on street operations accounts for the bulk of the difference in the revenue shortage (snow in February significantly influenced revenue for two weeks). Out of state plate processing and new meter rates increase for 2010 will help bring revenues closer to 2009 figures.

Cash flows: Cash flows are steady and comparable to last year.

Motions for the Board

1. That the board passes a motion to accept the minutes from the last board meeting. Motion 2010-10.
2. That the board accepts the accounts payable from the previous meeting. Motion 2010-11.
3. That the board accepts the external audit conducted by Herbein and Company. Motion 2010-12 was made by Mr. Lantrip and seconded by Mr. Darlington. The motion passed.
4. That the board authorizes a bond interest estimated payment on 15 May 2010 in the amount of \$407,060 to US Bank. Motion 2010-13 was made by Mr. Lantrip and seconded by Mr. Polyak. The motion passed.
5. That the board authorizes a payment in the amount of \$10,491.21 relative to payment of the change order from Whiting Turner for the revised prevailing wage schedule. Motion 2010-14 was made by Mr. Polyak and seconded by Mr. Lantrip. The motion passed.
6. That the board authorizes the payment in the amount of \$20,000 to Tim Haahs Architects for additional architectural fees associated with the DoubleTree Convention Center garage project. Motion 2010-15 was made by Mr. Lantrip and seconded by Mr. Darlington. The motion passed.

Solicitor's Report

No report.

Approval of Accounts Payable

A motion was made by Mr. Lantrip to accept the previous month's accounts payable and was seconded by Mr. Polyak. Motion 2010-11 passed.

Old Business

None

New Business

The Executive Director requested consideration to change the scheduled board meeting for September from 22 to 29. The board agreed to the change, whereby the Executive Director will publicize as required.

Other Business

The Authority received a request to advertise in the brochure for the Policeman's Ball. The board elected to not advertise in the brochure.

The Executive Director showed a photo taken from our security system in a garage. The man had stolen parking signs from the garage. The Authority has a tip on the name of the person involved and the Authority will seek restitution for the theft.

Executive Session

No executive session.

The meeting adjourned at 6:45 PM.

RPA Next Regular Meeting

The next board meeting is scheduled for 26 May 2010.