

MINUTES

Reading Parking Authority

28 October 2009

The Reading Parking Authority held their meeting on Wednesday, 28 October 2009 at 5:30 P.M. in their office at 613 Franklin Street, Reading, PA.

Board Members Present

Jack Lantrip, Vice Chairman

John M. Darlington, Treasurer, Asst. Secretary

Donna Reed, Board Member

Mike Polyak, Board Member

Absent

George Cook, Chairman

Others Present

Lawrence Lee, Executive Director, RPA

Christina Gilfert, Finance Manager, RPA

James Lillis, Solicitor

Guest(s)

David Kostival, Reading Eagle

The meeting was called to order by the Vice-Chairman of the Board at 5:30 PM.

Public Comments

None

Guest

None

Reading and Approval of the Minutes

Motion 2009-78 was made by Mr. Darlington to accept the minutes from the September and Special October meeting(s). The motion was seconded by Ms. Reed. The motion passed.

Correspondence

The Executive Director provided comments to the board in reference to Mr. Shuman's letter addressed 8 Oct 09 to the board relative to the purchase of the 7th and Washington open lot from the Parking Authority. The position of the board to not sell the property to Mr. Shuman remains unchanged.

Executive Director's Report

Convention Center Garage

The Parking Authority had signed two changes orders for the garage: (1) demolition of an underground meter pit for \$5,854.49 and (2) an additional micro-pile tension test for \$6,753.11 for a total of \$12,607.60. The Executive Director also signed an agreement with MET-ED to remove the 13,000 volt electric line from the west side of the property for \$145,880.40 plus an additional \$25,000 to demolish the existing duct bank. The electric line was removed the week of 19 Oct 09. Environmental clean ups associated with the garage construction will be approximately \$30-\$40,000 (asbestos and underground heating oil tanks). Environmental fees will be paid by the Reading Redevelopment Authority.

Erection of the garage should commence on 4 Jan 10 with (weather permitting) completion in 60 days. Caulking and other secondary construction activities cannot commence until weather is suitable. Mock ups of the exterior of the garage were reviewed at High Concrete and approved. Build America Bonds closed on 31 Sep 09. The Authority first contractor payment utilizing bond funding was approximately \$610,000.00 in September. October construction costs will approach the \$1MM mark.

\$6MM State Grant for the Convention Center Garage

The executive director was notified the end of September by the Pennsylvania Historical and Museum Commission that additional documents are required before an approval can be provided relative to historic and archaeological review of the project. Documents have been provided for grant review.

Parking Meter Upgrade

The finance manager provided financial information in September relative to the decision to table the StreetSmart parking meter investment for this year. An outlay of over \$300,000 per year for the meters is not a wise investment at this time with the unexpected expenses outgoing for 2009 (\$776,000 for 4th and Cherry repairs, \$145,880.40 for electric line removal for the convention center, \$129,248.87 for an electric vault to be installed by MET-ED, potential bill sharing for \$94,000 for the hotel electric vault [required for our electric service], and solidifying an agreement for approximately \$230,000 for revenue control equipment for the garage). The Parking Authority is investigating a revenue sharing proposal to minimize the capital investment in the new meters.

4th and Cherry Garage

The project is moving forward, but with some delays. Phases I & II of the project has been completed. The work is now expected to be completed on/about the second week of January.

Bond Payment

The Parking Authority is required to make a bond payment in November. The 1993 Series note due is \$2,651,369.66. The 2006 Series note due is \$30,615.00. The Series 2004 note due is \$283,092.79 (estimate). The estimated total due is \$2,965,076. The exact amount will be computer approximately one week prior to bill date due to interest accrued. A motion is required.

Reading School District – Rock Center

The Parking Authority is close to a deal for parking for the Reading School District (Rock Center) located at 8th and Penn Streets. Parking will include support for testing services and professional development classes for teachers.

High Voltage Line at Convention Center Garage

A high voltage line was discovered during the excavation of the west end of the garage along the railroad track. The electric line infringed upon excavation in the area as our footers for the garage were dangerously close to the active line. After extensive research with MET-ED senior representatives, the best course of action is to remove the electric line and install another line outside the construction foot print. A motion is required.

Parking Authority Budget Proposal 2010

The Executive Director presents the 2010 budget for board consideration. The Operating budget of \$4,180,500 is 5% greater than the 2009 budget of \$3,978,500. Noteworthy changes in the budget include two major increases: An increase in payroll and consequently payroll taxes - 7% increase and a significant increase on those line items associated with the convention center garage - the opening of the garage is projected for July/August 2010. The Authority also will experience 11% depreciation in 2010 due to the construction at 4th and Cherry and the opening of the new garage. Another increase will come from “accounting” to verify/validate the \$6MM grant from the State of Pennsylvania.

It is projected that the Authority will come in \$34,000 under budget for electricity this year (2009) due to the systematic switch of our lighting systems in all of our garages to the less expensive operating costs for florescent lighting.

Capital Improvement for 2010

1. *Convention Center garage construction	\$13,200,000
2. Revenue Control System @ Convention center	\$230,000
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3. Meter Replacement Program (Mechanicals [400] to Electronic)	\$300,000
4. Truck Replacement (Pickup-PEO)	\$20,000
5. Revenue Control Chairelli Plaza	\$115,000
TOTAL	<u>\$13,865,000</u>

***Note:** Overall construction costs to be offset by the \$6MM grant reducing the costs to approximately \$7,200,000. The Authority will continue in 2010 with the restricted cash account to address emergency and scheduled major construction requirements. Specific activities would include, but not be restricted to: parking deck replacement/repairs, revenue control repairs/replacements and upgrades, post tensioning repairs as it relates to emergency safety repairs, catastrophic elevator maintenance, and subsequent new construction. Based on the \$75 per space maintenance recommendation of the parking study the account should contain \$386,475. Additional monies would be required if a scheduled major construction project has been identified.

The challenge of monitoring our cash flows to meet fiduciary responsibilities without borrowing any more money will be the key to a successful 2010.

Budget Review

The Finance Manager addressed the status of Budget/Revenue for 2009.

-Operating Budget: The Authority’s nine month budget is at \$2,983,875 and we are currently \$124,941 under budget. It should be noted that some budget line items are paid once per year

(pension) and some items paid periodically (insurance) that may skew the budget snap shot at any particular month in the year.

-Revenue Report: The Authority revenues are \$88,669 above last year's revenue at this point in time. Violation revenues has improved, but still under last year's violation revenue.

-Cash Flow: The cash flow as of 30 September 2009 is \$5,912,476 compared to \$9,046,902 in 2008. The \$4M to the city is reflected in the cash flow statement for September although the check has not been cashed.

Ms. Reed asked if the \$4MM check had been cashed and it has not to date. The executive director did indicate that he met with the Mayor yesterday to ensure the administration that our annual \$400,000 payment to the city will continue for the "meter plant operation". The payment is made in monthly installments for \$33,333.00.

Motions for the Board

1. That the board passes a motion to accept the minutes from the September meeting and the Special meeting dated 13 October 2009. Motion 2009-78.

2. That the board accepts the accounts payable from the previous meeting. Motion 2009-79.

3. That the board approves the estimated bond payment due in November in the amount of \$2,965,076. Motion 2009-80 was made by Ms. Reed and seconded by Mr. Darlington. The motion passed.

4. That the board accepts the 2010 operating budget. Motion 2009-81 was made by Mr. Polyak and seconded by Mr. Darlington. The motion passed.

5. That the Parking Authority authorize a payment in the amount of \$145,880.40 to MET-ED for the high voltage line removal from the convention center garage construction site. Motion 2009-82 was made by Ms. Reed and seconded by Mr. Polyak. The motion passed.

6. That the board approves the Employee Assistance services program presented by Diakon Lutheran Social Ministries. Motion 2009-83 was made by Ms. Reed and seconded by Mr. Polyak. The motion passed.

Solicitor's Report

The solicitor indicated that he had not heard back on the zoning board appeal authorized by the board in September.

The solicitor also indicated that he had filed the tax appeal for the convention center garage property, but had not been provided a response to date.

Approval of Accounts Payable

Motion 2009-79 was made by Mr. Polyak and seconded by Ms. Reed to accept the accounts payable. Motion 2009-79 passed.

Old Business

The Executive Director requested the Vice-Chairman resign the Reading Area Community College extended parking agreement authorized at the September board meeting. A clerical error was detected and required correction. The agreement was signed.

New Business

The Executive Director requested the board of directors approve an Employer Assistance Program whereby our employees can seek counseling services at the employer's expense (two sessions at \$85.00 per session) for a myriad of personal issues (marriage counseling, employee mental health, etc).

Other Business

None

Executive Session

No executive session.

The meeting adjourned at 6:03 PM.

RPA Next Regular Meeting

The next board meeting is scheduled for 18 November 2009.