

# **MINUTES**

## **Reading Parking Authority**

**16 November 2011**

The Reading Parking Authority held their meeting on Wednesday, 16 November 2011 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, Asst. Secretary

Mark Cianciosi, Board Member

### **Absent**

Mike Polyak, Board Member

### **Others Present**

Lawrence Lee, Executive Director, RPA

Christina Gilfert, Finance Manager, RPA

James Lillis, Solicitor

### **Guest(s)**

Mike Setley, Concord Public Finance

Phil Roland, Concerned Citizen

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

### **Public Comments**

Mr. Phil Roland who owns the Marvel Ranch and laundry mat on 4<sup>th</sup> and Penn addressed the board about two items. Mr. Roland would like to see all meters removed from the city and doesn't agree with extending meter enforcement hours around the Sovereign Center. The executive director and chairman explained the importance of parking meters in opening key parking spaces for businesses along the Penn corridor. The Authority also explained the financial aspects of parking meters in that the Authority will provide \$1.4MM to the City of Reading under Act 47 in 2012. The executive director further stated that the extended hours at the Sovereign Center meters is a nominal payment for parking close to venues at the Sovereign Center thereby creating a fair and equitable parking process for those attending shows/events.

### **Guest**

Mr. Mike Setley presented the results of refinancing of our Build America Bond (BAB) with Fulton Bank. The proposal would reduce the interest rate from 4.10% to 3.15% for ten (10) years saving the Parking Authority \$357,933.55 and reduce our risk for the out years (2021-2025) with a ceiling of 6% compared to the existing ceiling of 9.75%. The proposal would also free up the required deposit of \$1MM with Fulton Bank, but must remain in escrow as part of our debt indenture agreement. The agreement is also based on the remaining grant funding being applied against the construction loan (BAB) with Fulton Bank. Closing will be on 19 December.

### **Reading and Approval of the Minutes**

Motion 2010-44 was made by Mr. Darlington to accept the minutes from the last meeting. The motion was seconded by Mr. Cianciosi. The motion passed.

### **Correspondence**

None

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

#### Bond Payment

The following bond payment is due on 15 Nov11:

1993	\$2,641,610.02	
2004	\$283,467.50	
2006	\$30,615.00	
2009	\$40,000	Principal
	<u>\$247,742.50</u>	Interest
	<b>\$3,203,435.02</b>	<b>Grand Total</b>

#### Grant

The Authority has finalized all required documents with the state auditor. The auditor recommended not retaining any funds from the Authority account. The Authority is still subject to a final audit within the next six months to completely close the project. The Authority should receive the final grant monies not later than 7 December and those funds will be applied to the BAB construction loan from Fulton Bank.

#### Parking Ticket Processes

The contract changes from Duncan Solutions was received and analyzed after the last board meeting. After a complete review by the staff, it is decided that Duncan Solutions is too expensive to implement. Using Duncan would increase our parking enforcement operations by approximately \$45,000. The Authority is looking at our existing vendor, Clancy Systems, to develop and implement a civil processing procedure with a limited cash investment.

#### General Liability and Workers Compensation Insurance

##### **General Liability**

<u>Insurance Carrier</u>	<u>General Liability Quote</u>
West Field Insurance Company	\$72,146 (5% increase over 2011 rates)
Ohio Casualty	\$79,520
PMA Insurance	\$81,901
Penn National Insurance	\$83,806

##### **Worker's Compensation**

No quotes available at this time. A worse case situation would be for the Parking Authority to engage the state worker's compensation coverage alternative.

### Merchant Permit

The Authority established a pilot program for a merchant permit program back in the mid 1990s for 000 South 9<sup>th</sup> St., 000 North 9<sup>th</sup> St. and 100 North 9<sup>th</sup> St. The program allows free parking for the metered area for merchants on the block. The executive director does not feel that the program supports the general community and suggested to the board that the Authority hold a public meeting to address the issue with the merchants on the block. The executive director will report the results at the December board meeting.

### Trust Indenture Requirement

The Authority is required to sign an "Officer's Certificate" that acknowledges that there are sufficient funds at the Parking Authority to cover the 1993 CAB (Capital Appreciation Bonds). Further, that revenue is sufficient to pay administrative fees, operating fees, reimbursements to the city as well as debt service costs. Motion 2011-48.

### 2011 Budget Review

The Finance Manager addressed the financial status of the Budget/Revenue for 2011.

-Operating Budget: The Authority is \$ 264,405 ahead of budget projections for operations. However, it should be noted that some line item numbers have been paid in advance and other are paid once per year (pension) skewing the report.

-Revenue Report: The Authority revenues are \$279,387 ahead of last year's revenue at this time. Violation revenues have improved and are currently \$131,009 ahead of violation revenues from last year (2010). Increased ticket prices and out of state collections are accounting for the increase.

-Cash Flow: The cash flow as of 31 October 2011 is \$6,700,332 compared to \$7,458,529 in 2010. It was also noted that this balance does not represent the \$3.203MM bond payment made in November. Expenses have increased significantly as our Act 47 contributions are captured in this line item.

### Motions for the Board

1. That the board passes a motion to accept the minutes from the last board meeting. Motion 2011-44.

2. That the board accepts the accounts payable from the previous meeting. Motion 2011-45.

3. That the board approves the November bond payment in the amount of \$3,203,435.02 for the 1993, 2004, 2006, and 2009 notes. Motion 2011-46 was made by Mr. Lantrip and seconded by Mr. Darlington. The motion passed.

4. That the board approves applying the final grant payment of \$1,061,121 towards the outstanding BAB from Fulton Bank. Motion 2011-47 was made by Mr. Lantrip and seconded by Mr. Darlington. The motion passed.

5. That the board approves the signing of the Officer's Certificate verifying that funds are available to pay administrative fees, operating fees, reimbursements to the City of Reading and debt service as outlined in the 1993 Capitol Appreciation Bond. Motion 2011-48 was made by Mr. Lantrip and seconded by Mr. Cianciosi. The motion passed.

6. That the board approves a resolution authorizing the borrowing of not more than \$6.635MM from the issuance and sale of a parking revenue note, series of 2011. Motion 2011-49 was made by Mr. Lantrip and seconded by Mr. Darlington. The motion passed.

7. That the board approves the general liability insurance policy for the Parking Authority in the amount of \$72,146 with West Field Insurance Company for 2012. That the board authorizes the executive director to execute an agreement for worker's compensation insurance when all quotes are received. Motion 2011-50.

8. That the board approves a motion to provide a 3% raise for management and a 5% raise for the finance manager. Motion 2011-51 was made by Mr. Cook and seconded by Mr. Lantrip. The motion passed.

### **Solicitor's Report**

The solicitor reported that he has attempted to receive an update on the status of the legislation for civil ticket processing.

### **Approval of Accounts Payable**

Motion 2011-45 was made by Mr. Lantrip and seconded by Mr. Cianciosi to accept the accounts payable. Motion 2011-45 passed.

**Old Business**

None

**New Business**

None

**Other Business**

The board denied the request from the union to expend \$400 on badges for the parking enforcement officers.

**Executive Session**

Executive session included contract negotiations and personnel issues.

The meeting adjourned at 6:45 PM.

**RPA Next Regular Meeting**

The next board meeting is scheduled for 14 December 2011.