

## READING PARKING AUTHORITY

### **Minutes of Reading Parking Authority Board Meeting – September 25, 2019**

#### I. Executive Session.

The Reading Parking Authority (“RPA”) Board of Directors met in executive session prior to the start of the regular board meeting to discuss personnel matters and pending litigation.

#### II. Meeting Called to Order.

The regular board meeting (“Meeting”) was called to order at 5:43 p.m. It was held at the Penn Room, Reading City Hall, 815 Washington Street, Reading, PA 19601.

#### III. Individuals Present for the Meeting.

##### **RPA Board Members:**

Linda Burns-Glover, Chairperson

Lawrence Miller, Vice-Chairperson

Misael Marmolejos, Treasurer

Bill Murray, Secretary

**Others Present:** Lieutenant Nathan L. Matz, RPA Executive Director; Michael McGrath, RPA Finance Manager; and Mahlon J. Boyer, Esquire, General Solicitor.

**Members of Public:** Jeremy Long, Reading Eagle; Mark Vergenes, Mirus Consultants; Maximus Weikel, AFSCME; Stephen Flaherty, RBC Capital Markets; Chris Turtell, Herbein & Company; Megan Thompson, Herbein & Company; and Victor Perez.

#### IV. Pledge of Allegiance.

#### V. Moment of Silence.

#### VI. Public Comment.

Mr. Victor Perez addressed the Board via a prepared statement on behalf of his mother, Sheila Perez. Mr. Perez noted a recent event wherein a PEO allegedly issued a violation for a vehicle that had an expired inspection. Mr. Perez argued that PEO’s do not have jurisdiction to issue any such violations. Mr. Perez said that there was a decision issued in the Berks County Court of Common Pleas in December 2015 wherein the court ruled that the RPA is not allowed to issue violations for expired inspections and registrations.

Mr. Murray thanked Mr. Perez for his comments and said that the RPA Solicitor would review the matter.

VII. Approval of Meeting Minutes.

Mr. Misael Marmolejos made a motion to approve the minutes of the August 28, 2019 RPA Regular Board Meeting. Second by Mrs. Linda Burns-Glover. Motion passed unanimously.

VIII. Approval of Accounts Payable.

Mr. Lawrence Miller made a motion to approve the RPA accounts payable for September 2019 via the RPA's general fund in the total amount of \$704,615.11. Second by Mrs. Burns-Glover. Motion passed unanimously.

IX. Labor Solicitor Report. None.

X. Solicitor's Report.

A. Paragon Consulting Group

Mr. Boyer presented a proposal from Paragon Consulting Group to provide human resources support to the RPA. The services from Paragon would include but not be limited to ongoing maintenance and an update of compensation ranges and employee handbooks; regulatory updates and adjustment of internal policies; management of workers' compensation and unemployment compensation matters; and managing the administration of FMLA and ADA matters related to medical leaves of absence and job restrictions. Paragon proposes to begin its work for the RPA immediately. The monthly cost for Paragon's retention is \$3,200.00 per month. The Paragon contract may be terminated upon 30 days written notice. Mr. Lawrence Miller made a motion to approve the retention of Paragon by the RPA. Second by Mrs. Linda Burns-Glover. Motion passed unanimously.

B. Peter R. Johnson & Company

Mr. Boyer presented a proposal from Peter R. Johnson & Company ("PRJC"). The proposal is for human resources consulting services. PRJC will provide a review of the RPA's current organizational structure and positions to ensure those rules are consistent with best practice models. PRJC will also provide a current and market-based compensation study to support the RPA's objective to attract, retain and reward a high performing work force. This will permit the RPA to understand its competitive pay posture in the labor market and to have tools to provide fair and equitable pay in terms of functions performed, its industry and the geographic regions served. The total flat fee cost for the retention of PRJC is \$10,000.00. Motion by Linda Burns-Glover to approve the RPA's retention of PRJC. Second by Mr. Misael Marmolejos. Motion passed unanimously.

C. 27 N. 2<sup>nd</sup> Street

Mr. Boyer discussed the transfer of the real property known as 27 North 2<sup>nd</sup> Street from the Reading Redevelopment Authority to the RPA. The RPA had previously paid the lease balance owed to the Redevelopment Authority. That payment triggered the required transfer of 27 N. 2<sup>nd</sup> Street from the Redevelopment Authority to the RPA. Mr. Boyer requested permission to retain a title company to complete the transfer of the property from the Redevelopment Authority to the RPA. Mr. Marmolejos made a motion to permit the Solicitor to retain a title company for the transfer of the property. Second by Mrs. Linda Burns-Glover. Motion passed unanimously.

D. Bond Resolution

Mr. Boyer presented a bond resolution. The bond resolution authorizes the issuance of the RPA's Parking Revenue Bonds, Series 2019 in the maximum aggregate principal amount of \$30,795,000.00. The issuance may be in one or more series, taxable or tax exempt, bearing interest at fixed or variable rates. The issuance of the bonds will be for the finance of a capital improvements project for the RPA's parking facilities as well as a refinance of the RPA's current notes and bonds. The 2019 Bonds will be in fully registered form, be dated and will bear interest at variable and/or fixed rates not to exceed 5%. Mr. Lawrence Miller made a motion to approve the bond resolution. Second by Mrs. Linda Burns-Glover. Discussion regarding the bond resolution was then held.

Mr. Murray noted the tremendous work by the RPA and Mr. Stephen Flaherty to reach this point. Mr. Lawrence Miller noted that the bond issue has very favorable terms. Mr. Flaherty addressed the Board. He noted much work by Lieutenant Matz and Mr. McGrath in regard to the bond issue. Dilworth Paxson has served as bond counsel and is drafting the necessary indenture. Mr. Flaherty presented a chart detailing the planned financing structure. The RPA's debt service for 2019 will be drastically reduced and it will have consistent and manageable debt service moving forward. The RPA will see its existing debt service for the years 2020 through 2024 reduced by approximately One Million Dollars for each of those years. Significantly, the 2019 existing debt service payment of \$3.4 Million Dollars will be reduced by over Three Million Dollars. If approved, the proposed loan closing would occur on October 23, 2019.

Mr. Murray noted that the RPA faced a fiscal crisis in the past. However, the approval of the proposed bond issuance will stabilize the RPA's debt service at a rate it can handle. It will reduce the RPA's cash flow issues. Mr. Murray also noted the RPA's recent installation of its new gate system, which is increasing the RPA's revenue. The new financing will permit significant capital improvements for the RPA's garages and facilities. It will create a manageable budget for the RPA. The financing will create a stable environment for the RPA. Mr. Lawrence Miller noted that the new financing will permit a predictable and affordable structure.

Mr. Flaherty noted that Fulton Bank will be providing the financing. Fulton has been thorough but supportive throughout the process. Mr. Murray said that the financing would not have occurred without the current administration at the RPA. Fulton sees positive changes at the RPA. It is a process that everyone should be proud of. Mr. Flaherty agreed and said that Mike Reese at Fulton had a better comfort level with the new RPA administration.

After discussion held, by unanimous vote, the RPA Board passed the motion earlier presented by Mr. Lawrence Miller for approval of the bond resolution.

E. Mirus Consultants

Mr. Boyer presented an Addendum Proposal from Mirus Consultants. It is an addendum to the current Mirus proposal for strategic coaching and mentoring for the executive director of the RPA. The addendum notes that Mirus has been assisting, mentoring and advising the new RPA Executive Director, Lieutenant Nathan Matz. However, based on the last two months that Mirus has worked with Lieutenant Matz and the RPA management staff, Mirus has been requested to assist in human resources matters and in functions that were under the direction of the RPA's former Deputy Director. The addendum calls for the expansion of the current strategic coaching and mentoring contract with Mirus. The addendum will carry an additional cost of \$4,000.00 per month. Under the addendum, Mirus will provide temporary services in the capacity of the Deputy Director position. Mirus will work with PJRC and Paragon in evaluating the current RPA staff and job responsibilities/descriptions. Mirus will also assist in the recruitment and evaluation of potential candidates for the Deputy Director position, PEO's and a Director/Manager for the PEO's as well as an Operations/Technology Director. Mr. Lawrence Miller made a motion to approve the Addendum Proposal from Mirus. Second by Mr. Marmolejos. Motion passed unanimously.

XI. Executive Director Report.

A. Herbein 2018 Audit Presentation

Mr. Christopher Turtell from Herbein & Company, Inc. addressed the Board. He presented an audit report for the year ended December 31, 2018. Mr. Turtell noted that Herbein has the responsibility to opine on whether the financial statements from the RPA are fairly presented in all material respects and in conformity with the US GAAP. Herbein must also report on internal controls over financial reporting and compliance with laws and regulations that could have a direct and material impact on its financial statements. Herbein has provided an unmodified opinion, which is a clean audit opinion.

Mr. Turtell noted that the new RPA administration took hold of the RPA's financial situation. Mr. Turtell commended Mr. McGrath in doing a great job in getting the RPA ready for the audit.

In regard to its net position, the RPA's overall cash was consistent with its prior year. There was a decrease in capital assets due to depreciation. The accounts payable for 2018 increased with repair projects at the end of the year. This was specifically tied to necessary repairs at the South Penn Garage. Mr. McGrath noted his hope that future repairs will diminish after the completion of the planned capital improvements project.

Mr. Turtell noted a decrease in revenues from the prior year of approximately 4.5%. Mr. Turtell also noted an expectation for decreased credit card charges with a newly approved contract for those services. The RPA had a surplus of approximately \$515,000.00 for the year ending 2018.

The internal control report disclosed three internal control findings for 2018. However, Mr. Turtell noted that much has changed in 2019 and also noted that there were four findings for 2017, one of which was a material adjustment. Mr. Turtell emphasized that much progress has been made in regard to the RPA's internal controls. He also noted that Mr. McGrath has done a great job in 2019 to provide accurate reports to the RPA Board. Further, the new gate system is helping to improve the billing and collection procedures of the RPA. Mr. Turtell noted some improvements needed for the documentation and recordkeeping of the RPA. Mr. Murray asked Mr. McGrath if systems have been put in place for that correction and Mr. McGrath confirmed that they have been put in place.

Mr. Turtell noted that there is a new finance team at the RPA that started in late 2018, which currently includes more adequate staffing levels. New procedures have been put in place and are continuing to be implemented for key financial transactions and reporting. Mr. Turtell said that there have been good staff hires and he is seeing more controls on cash receipts and customer accounts.

Mrs. Linda Burns-Glover said it was good to hear the improved report from Herbein. Mr. Marmolejos made a motion to accept the Auditor's Report. Second by Mrs. Burns-Glover. Motion passed unanimously.

B. Deputy Director

Lieutenant Matz said that Mr. Charles Younger resigned as Deputy Director of the RPA. He thanked Mr. Younger for his service.

C. Reading Royals

Lieutenant Matz said that the RPA has reached an agreement with the Reading Royals for parking prices for Royals home games and events. The RPA is also meeting with the Santander General Manager at this time to discuss new event rates. Lieutenant Matz noted that the Royals are excited for the new pricing opportunity.

Mr. Murray confirmed that parking will be available for Royals home games at the 4<sup>th</sup> & Cherry Garage for only \$2.00. The event pricing increases in closer proximity to the Santander Arena. Mr. Murray also noted the new ownership of the Royals. He emphasized that the new owner has new values. There will be no revenue sharing between the Royals and the RPA.

Lieutenant Matz indicated that various lighting issues are going to be addressed. He met with the Royals, the Santander Arena and the Santander Performing Arts Center to discuss a lighting plan. There will be increased lighting at the garages and walkways. There will be new signage provided to direct the public to the various arenas. There is also an ongoing trimming of trees and removal of bushes to increase visibility.

Lieutenant Matz noted a change for the RPA's management of event parking. RPA employees will no longer take cash for event parking. Payment will be by credit card. This new

system has been successfully implemented and has worked in three recent events. RPA staff are located at the garages during events as customer service agents. They provide additional security and they can help issues that may arise.

Mr. Lawrence Miller suggested the use of a memorandum of understanding for parking rates. There needs to be documentation of any agreement on rates that are provided. Lieutenant Matz noted that there will be a documentation of rates going forward.

D. Kelly and Ryan

The RPA is working with Kelly Ryan to issue a new mailing campaign. This is without cost to the RPA. It will focus on prior outstanding violations.

E. HUB Update

Mr. Mark Vergenes addressed the Board. He provided an update on the RPA installation of the new gate system. All installations have been completed at the RPA's parking garages, including the 7<sup>th</sup> & Washington parking lot that went online on September 25, 2019. A review of the installation of fiber optics is ongoing. There are ongoing discussions with Comcast and Verizon in that regard.

Mr. Vergenes discussed Park Wiz. This integrates with the HUB software. Lieutenant Matz noted, when a customer goes online to purchase tickets for an event, there will be an offer included to purchase parking. This is a major convenience and helps the venues. It allows a customer confidence that they will have parking for the event.

Mr. Vergenes discussed RPA training. HUB has provided maintenance training to the RPA. There is ongoing training with the JMS software. This software shows parking revenue and the number of spaces used. It allows for mobile connection to permit management to see activity from their laptops and mobile devices.

There is continuing installation of signage throughout the garages. For example, the signage indicates that a customer should take their ticket with them and/or there is no cash accepted at the gates. There will be Spanish translations.

Mr. Vergenes suggested that there should be another pay station installed at Popular & Walnut due to the long walk to the current installed station. Mr. Vergenes noted that the RPA staff is continuing to collect leases and information for the monthly contract holders. 7<sup>th</sup> & Washington has proved most difficult. There is residential parking at that location. The RPA is working with everyone to resolve these issues.

Mr. Murray asked how the gates are functioning at the Convention Center garage. Mr. McGrath said that the gates are always down and are functioning properly. He noted that the Doubletree Hotel is issuing many validations. The hotel can provide validations either via a scan or through its website. Mr. Murray requested a report confirming the garage use and how many validations are being issued. Lieutenant Matz noted that the RPA is working with HUB to provide

and issue these reports. Mr. Vergenes said that the necessary software for these reports should be ready in approximately 3 to 4 days. Lieutenant Matz noted that the software can show usage not time spent. HUB is working to provide a comprehensive report. Mr. Murray said that it is important to determine how many spaces are being used and whether there is any use in excess of the 350 spaces allotted to the Doubletree Hotel. Lieutenant Matz confirmed the need for the data and said that he is working on it.

Mr. Murray said that everyone has done a good job on the gate system. The RPA needs to take advantage of the data that the gates provide. He wants an overnight parking solution for residents.

XII. Deputy Director Report. None.

XIII. Finance Manager Report.

Mr. McGrath presented the RPA Financial Statements for the period ending August 31, 2019. Year-to-date, total revenue is favorable to budget by approximately \$100,000.00. Meter and kiosk revenue is below budget by approximately \$160,000.00. Violations are favorable to budget by approximately \$388,000.00. There was some lost revenue at the parking facilities for the installation of the gates. The installation was longer than anticipated. However, the parking facility revenue for August increased significantly over July now that the gates have been installed.

Year-to-date, expenses are favorable to budget by approximately \$61,000.00. General professional fees and temp services are over budget. Mr. McGrath also noted a payment of \$200,000.00 in August 2019 in regard to the RPA's lease of parking meters from the City.

Mr. McGrath discussed the RPA's cash flow. There was an unrestricted cash balance of approximately \$3.6 Million as of August 31, 2019. There was a positive trend of cash generated, year-to-date, of approximately \$785,000.00.

Mr. McGrath discussed the revenue statement per garage. Mr. McGrath noted a large increase for daily parking fees at the Reed & Court garage.

Mr. Murray asked whether kiosks and/or meters provide better revenue. Lieutenant Matz said that the RPA is looking into this question. Mr. Murray said that it might make sense to use kiosks rather than meters. Lieutenant Matz noted that auditing and tracking is more reliable with kiosks. It removes the handling of cash, which is a major goal of the RPA.

Mrs. Linda Burns-Glover asked about the percentage revenue generated at Popular & Walnut. That revenue provides approximately 21% of all revenue derived from the parking facilities. She noted that 7<sup>th</sup> & Washington only provides 3% of the total revenue. She asked if it is possible to increase that percentage. Mr. McGrath said that the Popular & Walnut revenue is related in large part to its size and number of spaces. He also noted that 7<sup>th</sup> & Washington is residential parking. There is more revenue at Popular & Walnut because of the commercial use.

Some discussion was held in regard to the State Representative's possible use of the State Lot for a Trunk & Treat Event. The RPA had planned to donate the use of the State Lot for that use. Mr. Murray suggested that any such event should not compete with Mayor Scott's similar event, which is taking place at the same time and on the same date. Lieutenant Matz said that he would discuss this matter with the State Representative to insure a coordination of the events.

XIV. Board Member Reports.

A. Linda Burns-Glover. Mrs. Linda Burns-Glover said that she was pleased with the audit report from Herbein. She noted positive trends month after month. She is happy to know that bills are being paid on time. Mr. McGrath agreed and said that on time payments create good vendor relations.

B. Misael Marmolejos. None.

C. Lawrence Miller. None.

D. Bill Murray. Mr. Murray said that the Audit Report is a good reflection on Mr. McGrath and his team. He thanked Mark Vergenes for his assistance.

XV. Old Business. None.

XVI. New Business. None.

XVII. Motion to Adjourn.

Mr. Misael Marmolejos made a motion to adjourn at 7:28 p.m. Second by Mrs. Linda Burns-Glover. Motion passed unanimously.

The RPA's next regular Board Meeting will be on Wednesday, October 23, 2019 at 5:30 p.m. at Reading City Hall, Penn Room, 815 Washington Street, Reading, PA 19601. An executive session will take place at 4:45 p.m., prior to the meeting.