

READING PARKING AUTHORITY

Minutes of Reading Parking Authority Special Board Meeting – December 30, 2019

1) Meeting Called to Order.

A special meeting of the Reading Parking Authority's ("Authority") Board of Directors was called to order at 3:15 p.m. It was held in the Penn Room, Reading City Hall, 815 Washington Street, Reading, PA 19601.

Individuals Present.

RPA Board Members:

Linda Burns-Glover, Chairperson

Lawrence Miller, Vice Chairperson

Bill Murray, Secretary

Others Present: Lieutenant Nathan L. Matz, RPA Executive Director (*via phone*); Michael McGrath, RPA Finance Manager; Kristen Stubblebine, RPA Office Manager and Mahlon J. Boyer, Esquire, General Solicitor.

Members of Public: Jeremy Long, Reading Eagle and Nate Rivera.

2) Pledge of Allegiance.

3) Moment of Silence.

4) Public Comment.

None.

5) 2020 Budget Review.

Mr. Murray announced that the Board was meeting to review the Authority's Budget for 2020. The proposed budget had been provided to the members of the Board prior to the meeting. Mrs. Linda Burns-Glover made a motion to approve the proposed budget for 2020. Mr. Miller seconded the motion. Discussion was then held. Mr. Miller said that he had no questions but did want a description of the budget highlights.

Mr. McGrath addressed the Board. He noted that page 1 of the 2020 Budget highlighted the Authority's revenue streams. The amounts indicated for 2017 and 2018 were actual but the

amount indicated for 2019 was noted as projected because all months other than December were available.

The Budget for 2020 includes an increase in revenue of roughly 3%. There is an expected increase in transient revenue for 2020 due to the new gates. Mrs. Linda Burns-Glover asked if there were any remaining kinks in the new gate system. Mr. McGrath confirmed that there were some issues with the transition to the HUB equipment and software but they have been worked out. The parking gates are now down 99% of the time compared to the past when the gates would be up at times with no revenue collected. During the HUB install, the gates were up at times and the gates had some communication issues after installation that caused them to go up. The communication issue has been resolved.

Mr. McGrath noted that the expected revenue for vouchers in 2020 is a conservative estimate. He expects an increase of approximately 45% in voucher revenue but it may be higher. In the past, validation machines were being used but now everything is electronic. There is better control and invoicing at this time.

Overall, the 2020 Budget calls for a conservative estimate of 3% for increased revenue over 2019. The expected revenue for 2020 is \$8,077,500.

Operating expenses are expected to increase in 2020 by roughly 1%, which equates to approximately \$50,000.00. The total projected expenses of the Authority in 2019 are \$5,831,990. Total operating expenses in 2020 are projected at \$5,877,099.

Computer expenses are expected to decrease in 2020. Computer expenses were incurred in relation to the new gates and the Authority's firewall. Mr. McGrath noted the need for strong controls for credit card transactions.

There will be an increase in the cost of employee training in 2020. Lieutenant Matz wants to make employee training a priority in 2020. Some of the training will include CPR Training, Customer Service Training, and training in professionalism. There will also be training for managers and supervisors and maintenance training.

The Authority was able to obtain a decrease of its healthcare premium for 2020 with a new healthcare policy. The Authority is switching to a new healthcare carrier that is providing better coverage. There is a roughly 6% decrease in the cost for healthcare in 2020. There will also be a significant decrease in the cost for professional/temp services. These services were previously needed to clean up prior issues. The Authority has now hired stronger individuals in its back office. Wages have increased but the cost for temp services has decreased.

There was a one time interest expense in 2019 of \$205,927. Going forward, there will be level debt service payments that are easier for the Authority to maintain. The Estimated Cash Flow Statement indicates net income of \$1,295,431. Depreciation will be \$1,513,000 with net cash flow from operations at \$2,808,431. The end of year cash from operations is expected at \$1,353,406, which complies with the required Fulton covenant under the recent bond issue.

Mr. McGrath noted that Desman is working on a recalibration of the Capital Improvements Project. The rebid process is progressing. It is expected that the Authority will spend approximately \$5,000,000 in 2020 on renovations for the garages.

Mr. Miller questioned the new medical insurance. Mr. McGrath noted that the prior Union contract had healthcare coverage with a \$5,000.00 deductible, half of which was paid by the Authority. In 2020, the Authority will not pay any portion of an employee's deductible. The deductibles for employees will be \$500.00. This lower deductible was obtained even though the cost for the coverage has decreased.

Mrs. Linda Burns-Glover asked why there was zero revenue noted for events in 2017 and 2018. Mr. McGrath said that in the past there was bad recordkeeping with no itemization for events. However, it is now possible to indicate event revenue. Mr. McGrath noted that Lieutenant Matz's plan for tier pricing should help increase event revenue.

Mrs. Linda Burns-Glover noted her appreciation for the residential parking line item. Mrs. Stubblebine said that there have been four recent requests for residential parking permits. Mr. Murray suggested the need to advertise the residential parking availability.

Upon the end of discussion, a vote was taken and the 2020 Budget was unanimously approved. Mr. Murray noted that the budget is indicative of the work by the Authority management and shows the Authority is working as a solid organization. Mr. Murray said that Mr. McGrath and Mr. Matz did a good job in preparing the budget.

6) Old Business.

None.

7) New Business.

None.

8) Next Board Meeting.

The next meeting of the Authority's Board of Directors is scheduled for Wednesday, January 22, 2020, at 5:30 p.m. in the Penn Room at City Hall, 815 Washington Street, Reading, PA 19601. Executive session is scheduled prior to the meeting at 4:30 p.m.

9) Adjourn.

Mr. Miller made a motion to adjourn at 3:42 p.m., which was seconded by Mrs. Linda Burns-Glover. Motion passed unanimously.