

READING PARKING AUTHORITY

Minutes of Reading Parking Authority Board Meeting – October 27, 2020

1) **Meeting Called to Order.**

The Reading Parking Authority's regular board meeting was called to order on October 27, 2020 at 5:50 p.m. by Frank Denbowski, Chairperson. It was held at the Reading Parking Authority, 613 Franklin Street, Reading, PA 19602, pursuant to notice published and posted according to law.

Due to the COVID-19 pandemic, and in conformity with CDC guidelines, some of the RPA Board members participated in the meeting remotely via Zoom. The physical meeting was closed to the public, but notice published and posted prior to the meeting provided members of the public with information to listen to and take part in the meeting. A recording of the meeting was made and is available on the Authority's website.

Individuals Present.

RPA Board Members:

Frank Denbowski, Chairperson

Timothy J. Profit, Vice-Chairperson

Julia Domena, Treasurer (*participated remotely*)

Daniel Laws, Secretary (*participated remotely*)

Others Present: Nathan L. Matz, RPA Executive Director; Michael McGrath, RPA Director of Finance; Kristen Stubblebine, RPA Office Manager; Bart Ganster, Director of Operations; Danielle Reardon and Mahlon J. Boyer, Esquire, General Solicitor.

Members of Public: Jeremy Long, Reading Eagle (*participated remotely*).

2) **Pledge of Allegiance.**

3) **Moment of Silence.**

4) **Roll Call.**

Mr. Denbowski confirmed all individuals that were present for the meeting whether in person or remotely.

5) Welcome new board member

Mr. Denbowski welcomed Maritza Colon as a new member of the Authority's Board of Directors. Mr. Matz then presented three Authority employees that were recently promoted. Abril Ortiz was promoted from Lead Clerk to Office Manager. She has been with the Authority for two years. Fabio Fabre was promoted to PEO Sergeant. He has been with the Authority for five years. Maria Rosado was promoted to PEO Sergeant. She has been with the Authority for five years. Mr. Denbowski congratulated the staff members on their promotions. He expressed full confidence in them and said they will undoubtedly help the Authority moving forward.

6) Public Comment.

There was no public comment.

7) Approval of Minutes.

Minutes from the Authority's prior Board Meeting were circulated to the members of the Board for review prior to the meeting. There being no requested revisions, Mr. Profit made a motion to approve the September 15, 2020 Board Meeting Minutes. Second by Mr. Laws. The motion passed unanimously.

8) Approval of Accounts Payable.

Mr. McGrath presented the accounts payable for October, which totaled \$1,870,045.08. Mr. McGrath said that the proposed payables include a payment of \$413,092.77 to Nathan Contracting, LP for its ongoing work on the Authority's parking garages and \$24,000.00 to Desman, Inc. for its work as the Authority's project manager. Mr. McGrath noted that the payments to Nathan Contracting and Desman were funded through project funds not operations. The payables also include a payment of \$433,342.95 to Fulton Bank, representing the Authority's ongoing debt service for its bond financing. This payment is a double payment for September and October 2020. Mr. McGrath also said that some November payments were included in the October payables because the Board Meeting was held late in the month.

Mr. McGrath confirmed the purchase of new vehicles by the Authority in the amount of \$37,120.94, which were funded through capital funds not operations. Mr. Denbowski asked Mr. Matz what process was used for the purchase of the vehicles. Mr. Matz said that the Authority uses the PA Costars program to purchase vehicles. This is a state-approved bid process. Municipalities using Costars are only required to obtain one bid through this process. However, the Authority always gets three bids to assure it is paying the best price.

Mr. Denbowski confirmed that the proposed payables include two payments to the City of Reading. The \$400,000.00 payment is a parking meter lease payment based on a Cooperation Agreement between the Authority and the City. The \$100,000.00 payment is for police tickets that the Authority collects for the City.

Mr. Laws made a motion to approve the Authority's accounts payable in the stated amount via the Authority's general fund. Second by Ms. Domena. The motion passed unanimously. Mr. Profit abstained from voting.

9) General Solicitor Report.

a) Resolution in support of reauthorization of DID

Mr. Boyer presented Resolution 2020-16 to the Board. It is a resolution in support of the reauthorization of the Reading Downtown Improvement District Authority ("DID"). The Resolution notes DID's formation in 1995 and its ongoing mission for the City. The Resolution confirms the Authority's strong support for the reauthorization of DID and that the Authority considers DID an important partner in the continuing growth and betterment of the City. Mr. Denbowski noted his support for the reauthorization of DID. He said that it serves the needs of businesses in the downtown and will help with the revitalization of the City's downtown. DID shares common goals with the Authority and it is a strategic partner. Mr. Denbowski said, if passed, the Resolution would be filed in support of DID for the upcoming November 4, 2020 reauthorization hearing. Mr. Profit made a motion to pass the Resolution in support of the reauthorization of DID. Second by Mr. Laws. The motion passed unanimously.

b) RPA/DID pilot agreement

Mr. Boyer presented a proposed Cooperation Agreement between the Authority and DID. Mr. Boyer said that he had made some revisions to the agreement and sent them to DID's solicitor. He had not yet heard from her in regard to those revisions and whether DID would agree to them.

The proposed Cooperation Agreement calls for a 5-year term between DID and the Authority. If approved, the Authority would pay DID \$6,250.00 in 2020. The Authority would then pay DID \$25,000.00 per year starting in 2021. The agreement sets revenue sharing between DID and the Authority for DID-sponsored events. The Authority will also provide DID with 15 parking permits at the Convention Center Garage and one parking space at the State Lot for a DID pick-up truck. In return, DID will provide in-kind services to the Authority, including safety and security checks.

Mr. Denbowski said that approval of the proposed agreement would represent strategic spending by the Authority. There would be marketing and promotion for the Authority by DID. Mr. Denbowski said that the Authority's payments and in-kind services to DID are valued at roughly \$50,000.00 per year. He confirmed that the Cooperation Agreement was the result of meetings between DID and the Authority and multiple review and revisions of the agreement by DID and the Authority.

Mr. Boyer said that the Board could approve the agreement as revised and presented to DID. If approved by DID, the agreement would go into effect. However, if DID responds with substantive changes to the agreement, the Authority Board would have to consider that newly revised agreement at its next Board meeting.

c) Multiple Contracts Policy Resolution

Mr. Boyer presented Resolution 2020-15 to the Board. It proposes the adoption of a Multiple Contracts Policy for the Authority. The policy prevents professional service providers or consultants to the Authority from having an ownership interest in, or being an employee, director or officer of any company providing services to the Authority for compensation outside of the professional's or consultant's primary position with the Authority. Mr. Boyer said that the policy is meant to prevent any professional or consultant of the Authority from taking advantage of the Authority. Mr. Denbowski confirmed that it is a good policy. It is part of the Authority's best practices. It prevents hidden interests and secret dealings. Mr. Profit made a motion to approve the Resolution to adopt the multiple contracts policy. Second by Ms. Domena. The motion passed unanimously.

d) Corporate Sponsorship/Naming Rights Policy

Discussion was held in regard to a possible policy of the Authority for corporate sponsorships and naming rights. Mr. Boyer confirmed that he had reviewed a policy provided by Mr. Denbowski that had been adopted by a different city. Mr. Boyer said that a policy like this would set a standard for corporate sponsorships and naming rights. It could be used for naming rights for bricks, benches, parking garages or other properties of the Authority. The policy would delineate specific guidelines for any corporate sponsorships or naming rights. It would set forth an application process and would require a committee to review applications that were submitted. Mr. Profit noted concern in having the solicitor spend multiple hours in crafting the policy. Mr. Boyer confirmed that a draft copy of the policy could be prepared by the Authority's staff and then reviewed by the solicitor as a cost saving effort. Mr. Denbowski said a policy like this could help raise funds. A framework is needed, including the process for the naming rights. Ultimately, it was decided that the Authority would draft a proposed policy for review by the solicitor and then presentation to the Board.

e) Closing on Redevelopment Properties Resolution

Mr. Boyer presented Resolution 2020-14. It grants permission to the Authority's Chairperson or Executive Director to move forward with closing on the purchase of certain properties by the Authority from the Reading Redevelopment Authority. The Parking Authority Board had previously approved a sale agreement with the Redevelopment Authority at its September 2020 Board meeting. The agreement calls for the sale of certain properties by the Redevelopment Authority to the Parking Authority, including a surface lot at 1019 Penn Street as well as the State Lot. Mr. Boyer said that the Resolution is needed to complete closing on the properties. Mr. Profit made a motion to approve the Resolution. Second by Mr. Laws. The motion passed unanimously.

f) Retention of McCarthy Engineering

Mr. Boyer presented a proposed contract with McCarthy Engineering. Mr. Matz said that the Authority needs to retain a civil engineer for ongoing site improvements and other projects.

Mr. Boyer confirmed that the contract is time and materials. The Authority will only pay McCarthy for work that is requested by the Authority. Mr. Laws made a motion to approve the contract to retain McCarthy Engineering as a civil engineer for the Authority. Second by Ms. Domena. The motion passed unanimously.

g) RPA/Redevelopment Authority Lease Agreement

Mr. Boyer presented a proposed Lease Agreement between the Parking Authority and the Reading Redevelopment Authority. The Lease Agreement had been sent to Mr. Boyer by the Redevelopment Authority's solicitor. Mr. Boyer made revisions to the agreement and sent them back to the Redevelopment Authority's solicitor. However, Mr. Boyer has not yet heard from the solicitor and whether the proposed revisions are acceptable.

The proposed Lease Agreement calls for a 30-year term. The Parking Authority would pay \$1.00 per year to lease the Redevelopment Authority properties located at 405 Carpenter Street and 411 South Third Street. The Parking Authority currently leases those lots from the Redevelopment Authority. Pursuant to the Lease, the Parking Authority would remain responsible for the maintenance and upkeep of those lots. Importantly, the Lease Agreement has a right of first refusal provision that permits the Parking Authority to match or better any offer made by a third party to purchase the lots from the Redevelopment Authority.

Mr. Denbowski said that the right of first refusal is an extremely important part of the agreement. It prevents the properties from being suddenly pulled away from the Parking Authority. He said that he is comfortable with the Authority maintaining the properties with the Lease Agreement in place.

Mr. Boyer said that the Board could approve the Lease Agreement with the understanding that the Redevelopment Authority has not yet approved the final draft of the agreement. Assuming no changes by the Redevelopment Authority, and upon its approval, the Lease Agreement would go into effect. If there are substantive changes by the Redevelopment Authority, the Lease Agreement will have to be presented again to the Parking Authority for approval.

Mr. Profit made a motion to approve the Lease Agreement with the Redevelopment Authority. Second by Mr. Laws. The motion passed unanimously.

10) Labor Solicitor Report.

No report.

11) Executive Director Report.

a) Construction Update

Mr. Matz said that Desman's report regarding the ongoing capital improvements project for the Authority's parking garages was provided to the Board prior to the meeting. Construction

is on schedule. He said that Nathan Contracting had suggested the possible closure of the Reed & Court garage in January 2021 to expedite the construction. According to the contractor, this will save money for the project. Mr. Profit said that a firm commitment on the amount saved will need to be provided due to the loss of revenue if the garage is closed. Mr. McGrath confirmed that Reed & Court has the largest amount of transient revenue for the Authority. Mr. Profit said that he would only entertain the closure of Reed & Court if there were significant savings. Mr. Matz said that he will confirm the savings at a meeting with the contractor scheduled for next week.

b) Five-Year Strategic Plan Resolution

Mr. Matz presented a 5-year strategic plan that was initially presented to the Board at a workshop held on October 5, 2020. Mr. Matz has been working on the strategic plan since July 2019. It has five main areas of focus, which are: Finance, Public Policy, Operations, Economic Development, and Human Resources Development. Each of these main focus areas has specific items for completion. The strategic plan includes initiatives to resolve residential parking issues in the City. The Authority is working on and will soon present a plan for residential parking relief.

Mr. Denbowski confirmed that the Authority has already started working on these strategic goals. It is working to create financial stability for itself and plans to have a key role in the ongoing City economic development. He credited Mr. Matz with preparing and presenting an excellent workshop to the Board. Mr. Denbowski also noted that the Authority saved significant funds in Mr. Matz preparing the plan compared to the retention of a third-party to do so. He also said that there was 100% Board attendance at the workshop, including the new Board Member, Maritza Colon. Mr. Denbowski said that all of the Board Members are supportive of the strategic plan. Mr. Laws said that it was good to be at the workshop to fully understand the strategic plan.

Mr. Laws made a motion to approve the strategic plan. Second by Ms. Domena. The motion passed unanimously.

c) Comprehensive Parking Plan

Mr. Matz said that one of the major complaints is the City is double-parking. He hears this from multiple sources including pedestrians, residents, businesses, and first responders. He said that double parking is a hazard for multiple reasons and a danger to pedestrians and first responders. Mr. Matz said that the Authority is going to add two parking enforcement officers with a specific focus on double-parking throughout the City. Enforcement against double-parking will begin on November 2, 2020. There will be an official press release prior to that enforcement. Mr. Profit said that the enforcement is needed. Double-parking is a hazard that must be taken care of. There should be strict enforcement. Mr. Denbowski said there is a concern for police and first responders caused by double-parking. He also said that the enforcement of double parking is responsive to resident complaints and multiple complaints received by the Mayor's office.

d) Payment to the City

Mr. Denbowski noted the approved payments to the City, including the \$400,000.00 lease payment and the \$100,000.00 police ticket payment. The total passthrough for police tickets will be confirmed at the end of the year.

Mr. Matz said the Authority is continuing to work with the City for proposed ordinance changes. The proposed ordinance changes will allow the Authority to make a multi-year payment commitment to the City. Mr. Denbowski said that the ordinance changes are better for the Authority and the City for budgetary and other reasons.

e) Shade Tree Commission assessment of RPA properties

Mr. Matz said that the Shade Tree Commission worked with the Authority to perform tree work that the Authority was unable to perform. The Shade Tree Commission is training the Authority staff on the proper trimming of trees. Mr. Matz said that the Authority is appreciative of the Shade Tree Commission's assistance and training.

Mr. Denbowski noted his appreciation to the Authority for the ongoing work to better the aesthetic of the garages. He noted the art installation and tree trimming. He said the Authority is setting a standard for the City. He also complimented the Authority staff on the new landscaping being performed at the Authority garages. Mr. Profit noted his appreciation to Mr. Ganster for that work.

Mr. Matz said that the Shade Tree Commission is going to provide a report regarding missing trees. The Authority is anticipating work on its sidewalks in Spring 2021. The work is going to cost approximately \$450,000.00. Trees that are damaging the Authority's sidewalks will be removed in conjunction with the sidewalk repairs and replaced with recommendations from the Shade Tree Commission.

f) Standardize off-street parking rates

Mr. Matz said there is a need to standardize off-street parking rates. He said that Authority permits presently vary from \$30 to \$90 depending on the garage location. He also said that hourly rates and residential parking rates vary. He confirmed that there is no proposed rate structure at this time but the Authority is working to create one. Mr. Profit said there is a need to standardize rates but the Authority should be cognizant of the time we are living in and the financial harm of COVID-19. Any increase of rates should be in steps. Mr. Denbowski said that standard rates make sense. The Authority needs to recoup its costs and reinvest in its facilities. He said that the rates should be updated. Ms. Domena and Mr. Laws also noted their support of standardized rates. Mr. Laws also noted that the Authority should be cognizant of the financial harm created by COVID-19 and the effect of any increased prices.

g) Elevator Artwork Project

Mr. Matz said that the Berks Arts Council made a proposal to install artwork on the first-floor elevator shaft windows of the Authority parking garages to cover the elevator pits. There had been a previous concern on the part of the Authority Board in regard to the longevity of the art installations. Mr. Matz said the Berks Arts Council had installed similar artwork in other places approximately five years ago and there have been no issues. There has been no fading, peeling or cracking.

The total cost for this project is projected by Berks Arts Council at \$14,000.00. Berks Arts Council had suggested a split of the fee. Mr. Matz suggested approval of a one-half split of the fee to allow the strategic placement of approximately thirty pieces of artwork at the Authority garages. Mr. Profit said that the proposed art installation will help with the look of the downtown. Mr. Matz confirmed that the art will be prepared by students from the Muhlenberg Career and Technology Center. Mr. Profit made a motion to approve the proposal at \$7,000.00 to be paid by the Authority for the installation of the artwork. Mr. Laws seconded the motion. The motion passed unanimously.

h) Street Sweeping Expansion Initiative

Mr. Matz confirmed that the Authority is assisting the City's Department of Public Works in regard to a street sweeping expansion. This will begin on November 2, 2020. The Authority has posted bright flyers in English and Spanish to provide notice that the expansion is starting.

12) Director of Finance Report & Administration Report

Mr. McGrath presented his financial report for the period ending September 30, 2020. He said that September was a strong month. Total revenue for September was \$761,664.00. This was favorable to September 2019 by \$136,079.00 and favorable to budget by \$88,539.00. Mr. McGrath said that the Authority continues to manage its expenses due to the COVID-19 conditions. Expenses for September totaled \$405,471.00. This was favorable to September 2019 in the amount of \$4,423.00 and favorable to budget in the amount of \$84,287.00. Ultimately, revenue was up and expenses were down, which created net operating income for September in the amount of \$356,193.00.

Mr. McGrath noted the large interest expense of \$437,845.00, which represented a payment for August and September. Although shown, Mr. Profit said the Authority did not necessarily suffer a net loss of income because the interest expense could have been amortized. He said that the Authority's operations are profitable.

Mr. McGrath said that the year-to-date loss of revenue has decreased due to the past few months of positive revenue. Despite this, the Authority's year-to-date revenue remains unfavorable to budget by \$571,823.00. Year-to-date expenses show good management based on revenue levels. Total expenses year-to-date are less than 2019 by \$429,512.00 and favorable to budget by \$533,608.00. The Authority's year-to-date operating income is \$1,612,085.00. This is favorable to 2019 by \$84,249.00 and unfavorable to budget by \$38,215.00.

In reviewing the trend analysis, Mr. McGrath noted a continuing negative trend for parking revenues based on less usage. However, transient revenue is starting to slowly increase. In regard to cash flow, the Authority generated \$875,496.00 in net income from nine months ending September 30, 2020. The Authority is generating approximately \$100,000.00 per month in operating cash. Mr. McGrath said that the noted net income does not reflect the \$500,000.00 payment to the City, which was paid in October.

In reviewing revenue streams by garage, Mr. McGrath said that Reed & Court generated revenue from monthly permits and daily parking fees in the total amount of \$350,785.00 in September 2020. Of that, \$144,126.00 was based on daily parking fees. Mr. McGrath said that Reed & Court is the largest revenue source for daily parking. Mr. Profit noted that the Authority will probably not save enough money in construction to justify the closure of Reed & Court in January 2021. He also said that the Authority owes a duty to its customers. He does not want to remove the permitholders from Reed & Court during the proposed closure. They depend on parking there for work.

Mr. McGrath said that a preliminary budget will be presented in November for approval in December. He also said that the audit of the 2019 financials will be presented in November.

13) Director of Operations Report

Mr. Ganster said that he is redirecting the Maintenance Department. He noted a recent visit to the Lancaster Parking Authority. He said that it was very productive. He has been having ongoing meetings with citizens groups in the City about parking issues. He noted that a residential area has been designated for 1300 Fairview Street. A special detail began enforcement of fire hydrants and hazards on October 5, 2020. Violations have been steadily decreasing since enforcement began.

14) HR Report.

Ms. Reardon said that a new Employee Handbook has been completely drafted. It was sent to the Board Members for their review. The Board members can review the Handbook for possible approval at the November Board Meeting. There will also be employee input in regard to the Handbook. She hopes to have the new Employee Handbook approved and in place by January 1, 2021.

Ms. Reardon noted a transition to JetPay. The Handbook will be available in an e-portal format.

Ms. Reardon said that the Authority has filled the HR Generalist position. It is not a managerial position but integral for payroll. A temp employee will be filling the position on November 9, 2020.

15) Maintenance Supervisor Report.

James Frank submitted a monthly report that was provided to all of the Board Members prior to the Board Meeting. The Board posed no questions.

16) Office Administration Report.

Cindy Sanzo and Abril Ortiz submitted a monthly report that was provided to all of the Board Members prior to the Board Meeting. The Board posed no questions.

17) Board Member Report.

There were no Board Member reports.

18) Old Business.

None.

19) New Business.

None.

20) Public Comment.

There was no public comment regarding any matters or topics discussed by the Board.

21) Next Board Meeting.

Mr. Denbowski announced that the Authority's next Board meeting is scheduled for November 17, 2020, beginning at 5:30 p.m. and will be a hybrid of in-person attendance and via Zoom in keeping with CDC guidelines for public meetings due to COVID-19 restrictions. An executive session will be held and will start immediately after the conclusion of the public meeting.

22) Adjourn.

Mr. Denbowski announced that an executive session was going to be held to discuss personnel matters and pending litigation with no board action to be taken upon the conclusion of the executive session.

There being no further business of the Board, Mr. Profit made a motion to adjourn the regular board meeting. Second by Mr. Laws. The meeting was adjourned at 7:18 p.m.