

## **READING PARKING AUTHORITY**

### **Minutes of Reading Parking Authority Board Meeting – July 20, 2021**

1) **Meeting Called to Order.**

The Reading Parking Authority's regular board meeting was called to order on July 20, 2021, at 5:30 p.m. by Timothy J. Profit, 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:**

Timothy J. Profit, Chairperson

Daniel Laws, Vice-Chairperson (*participated remotely*)

Julia Domena, Treasurer (*participated remotely*)

Maritza Colon, Secretary (*participated remotely*)

Keith Eschleman, Assistant Secretary/Assistant Treasurer

**Others Present:** Nathan L. Matz, Executive Director; Michael McGrath, Director of Finance; Bart Ganster, Director of Operations; Kristen Stubblebine, Office Manager; Mahlon J. Boyer, Esquire, General Solicitor; and Jeremy Long, Reading Eagle (*participated remotely*).

2) **Pledge of Allegiance.**

3) **Moment of Silence.**

4) Roll Call.

Mr. Profit confirmed all individuals that were present for the meeting whether in person or remotely, and that a quorum was met.

5) Public Comment.

There was no public comment.

6) Approval of Minutes.

Minutes from the previous regular meeting of the Authority's Board of Directors were circulated to the members of the Board prior to the meeting. There being no requested revisions, Mr. Eschleman made a motion to approve the minutes of the meeting held on June 14, 2021. Second by Ms. Colon. The minutes were unanimously adopted.

7) Approval of Accounts Payable.

Mr. McGrath presented the accounts payable for July 2021, which totaled \$1,145,156.30. The proposed payables were sent to the members of the Board prior to the meeting. Mr. McGrath noted that the payables included a payment to Nathan's Contracting for its ongoing work on the parking garages. Mr. Eschleman made a motion to approve the proposed payables for July. Second by Mr. Laws. The motion passed unanimously.

8) General Solicitor Report.

a) City Parking Relief – property update

Mr. Boyer noted the ongoing efforts to close on the Authority's purchase of the 641 McKnight Street property. The Authority had previously entered into a sale agreement for that property. However, it was later discovered that there are municipal liens existing against the property even though the current owner purchased the property at a tax sale. Mr. Boyer has been contacting the City with a request that the City agree to clear the liens if the property is purchased by the Authority.

The sale agreement for the property had been previously extended due to the ongoing efforts to clear the liens. Mr. Boyer said that the current extension would expire on July 31, 2021. He suggested that the Board make a motion to extend the closing to on or before August 31, 2021. Mr. Profit made a motion to extend the current closing date of the sale agreement to on or before August 31, 2021. Second by Mr. Laws. The motion passed unanimously.

b) Reading Elevator

Mr. Boyer confirmed that the Authority Board had issued a Notice of Intent to Award to Reading Elevator at the Authority's June 2021 Board Meeting for the pending modernization

and maintenance of some of the elevators located at the Authority's parking garages. A contract to proceed forward with Reading Elevator for that work was subsequently drafted. Mr. Boyer reviewed the contract. He said that the Authority Board could issue a Notice to Proceed to Reading Elevator with an approval of the contract for the modernization/maintenance of the elevators. Mr. Eschleman made a motion to issue a Notice to Proceed and for approval of the contract. Second by Ms. Colon. The motion passed unanimously.

9) Executive Director Report.

a) Construction update

Mr. Matz confirmed that the construction on the Authority's parking garages is scheduled for completion in November 2021. He noted that Desman had issued a detailed report regarding the status of construction, which was circulated to the Board prior to the meeting.

b) Ordinance changes

Mr. Matz said that certain of the ongoing City Ordinance changes have been tabled pending the completion of the parking study presently underway. Certain of the preliminary findings from that study have already been discussed with City Council.

c) Events

Events are continuing to be scheduled for the downtown. The Authority is working to create efficiencies for those events.

d) T2/Velocity

Mr. Matz discussed the possible introduction of a beta site at the 4<sup>th</sup> & Cherry garage for a gateless payment system. T2 would install the hardware for the gateless system at no cost to the Authority. At the end of ninety (90) days, the Authority would have the option to keep the system with payment due for the system within thirty (30) days, or the Authority could ask T2 to remove the system and the Authority would revert back to the use of the current gates. Mr. Ganster said that the old gates minus the arms will likely stay in place pending the trial period for the gateless system. The projected cost for the gateless system at the 4<sup>th</sup> & Cherry garage is roughly \$44,000.00.

Mr. Matz said that the gateless system will have long-term benefits for the Authority. It will reduce Authority overtime in responding to help phone inquiries. It will also eliminate the costs paid to HUB for repair and maintenance of the current gates. The gateless system will also drastically reduce the time necessary to empty the parking garages when filled with vehicles for events.

Mr. Matz said that it takes approximately 4 ½ hours to empty the South Penn garage when filled to capacity, which is 1000 vehicles. He said that there used to be a backlog of vehicles entering the garages due to cash payments. Now, there is a backlog of vehicles exiting the garages because payment occurs upon leaving the garages. Using the T2 gateless system, it will take approximately 1 ½ hours to empty the garage.

Mr. Eschleman asked if the Reading Police Department can assist with traffic control to get visitors out of the garages more quickly. Mr. Profit noted that there may be a possible issue with police staffing for that work but it is a goal to work towards. Mr. Matz confirmed that the largest choke point for vehicles exiting the garages is the need for them to back out of parking spaces while other vehicles wait for that to happen.

Mr. Laws made a motion to approve the T2 proposal for a gateless system at the 4<sup>th</sup> & Cherry garage at no charge to the Authority subject to the solicitor's review of T2's contract. Second by Mr. Eschleman. The motion passed unanimously.

e) T2/Collections

Mr. Matz confirmed that the Authority has not taken efforts towards the collection of past due violations since November 2019. There is approximately \$7.6 million owed to the Authority, which dates back to 2016. Kelly Ryan used to perform collection for the Authority. Kelly Ryan charged the Authority 30% of the amounts collected plus costs.

T2 is now proposing to collect the past due violations for the Authority with the Authority keeping 100% of all fees collected. An additional fee of 15% for T2 would be paid by the debtor rather than the Authority. Mr. Matz said that T2 has a 60% collection rate. He also said that T2 will help with the use of payment plans. The Authority allows debtors to use payment plans to pay past due violations. Mr. McGrath noted that the \$7.6 million in unpaid violations would be sent to T2 at this time with the payment plan process being instituted with T2 at a later point. Mr. McGrath also confirmed that the T2 staff is bilingual. T2 estimates that it will be able to collect roughly \$2.1 million of the noted balance owed.

Mr. Boyer confirmed that he reviewed the proposed contract between T2 and the Authority. He was happy to see that T2 confirmed in writing its commitment to follow the requirements of the Fair Debt Collection Practices Act. Mr. Eschleman made a motion to approve the retention of T2 for collections for the Authority. Second by Ms. Colon. The motion passed unanimously.

f) VADE

Mr. Matz said that the Authority had received a proposal from VADE. It proposes the placement of cameras at the Authority's office and South Penn garage for enforcement of double parking that is occurring outside of the Authority's office. Mr. Matz said that some individuals visiting the Authority's office for payment of violations park in front of the office and illegally block one lane of Franklin Street when they do so. Mr. Matz noted that the parking

in front of the Authority's office also creates issues for the fire trucks that are at the fire station across the street.

The use of the cameras would be on a three-month trial basis. If it proves successful, there is a possibility of using the cameras at dangerous intersections where individuals park illegally and create safety hazards. Mr. Matz said that he had recently attended a City Council meeting. As part of the discussion regarding intersections, there was a drone photo of nine vehicles parked illegally at one intersection. Mr. Matz said that the Authority does not have the staffing to cover all of the intersections across the City and it is therefore necessary to look at technology solutions. Mr. Matz noted that the Reading Police Department already uses cameras at certain intersections.

The use of the cameras at the Authority's office would be a beta site. There would be 24/7 enforcement. Thus far, VADE has provided a proposal for the cost and installation of the cameras. Mr. Boyer said that a formal contract with VADE would be necessary. Mr. Profit made a motion to issue an Intent to Award the beta site to VADE subject to the submission of a formal contract for Board approval. Second by Mr. Eschleman. The motion passed unanimously.

10) Director of Finance Report & Administration Report

a) Presentation of 2020 Audit by Herbein & Company

Chris Turtell from Herbein & Company appeared before the Board. He discussed Herbein's audit of the Authority's financial statements for the year ending December 31, 2020. The audit was conducted under the generally accepted auditing standards and government auditing standards.

Herbein has issued an unmodified opinion, which is a clean audit opinion. Mr. Turtell said that Mr. McGrath and the Authority's financial team have done a great job for the Authority. Mr. Turtell also said that there are no internal control findings in the current year. This is the second consecutive year with no internal control deficiencies noted.

Mr. Turtell reviewed the Authority's balance sheet. The Authority's unrestricted balance increased from 2019 to 2020. There was a decrease in accounts receivable as a result of the Authority's advancements in invoicing. The Authority's restricted net position decreased while its unrestricted net position increased. Revenues increased from the prior year. There was a decrease in contracted services from the prior year, which correlates to an increase in wages and payroll taxes as the Authority brought on additional permanent employees with its office restructuring.

Mr. Turtell noted that there was a significant improvement in the timeliness of the Authority's financial reporting. Overall, the Authority has shown considerable improvement in the past two audit years (2019 and 2020) both financially and moving forward with necessary capital projects and debt restructuring.

Mr. Profit thanked Mr. Turtell for his work on the audit. He said it was good to receive positive news from the Authority's auditor. He commended Mr. McGrath and Mr. Matz for doing a good job for the Authority as well as the Authority' staff.

b) Authority Financial Statements

Mr. McGrath confirmed that his financial statement report was circulated to the Board members prior to the meeting. He asked if there were any questions in regard to the report. The Board posed no questions. Mr. Matz thanked Mr. McGrath and the finance team for their work for the Authority. He said that they have done a tremendous job in their work and in turning around the Authority's financial issues that existed prior to their tenure.

11) Director of Operations Report

Mr. Ganster confirmed that his report was provided to the Board members prior to the meeting. The Board posed no questions in regard to his report. Mr. Profit thanked Mr. Ganster and the Authority staff for their work on the Authority's facilities. He said that the facilities look good and that maintenance is being performed well.

12) HR Report.

No report.

13) Office Administration Report

Cindy Sanzo and Abril Ortiz submitted a written Office Administration Report to the Board prior to the board meeting. The Board posed no questions.

14) Communications & Special Projects Report

Kristen Stubblebine submitted a Communications & Special Projects Report to the Board prior to the Board Meeting. The Board posed no questions.

15) Board Member reports

None.

16) Old Business

None.

17) New Business

None.

18) Next Board Meeting

Because some of the Authority's directors will be attending the PA Parking Association Conference, it was agreed that the next board meeting would be held on July 16, 2021, beginning at 5:30 p.m. rather than July 17, 2021. Notice of the change will be published and posted according to law. The meeting 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.

19) Adjourn.

*Mr. Profit 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. Eschleman made a motion to adjourn the regular board meeting. Second by Mr. Laws. The meeting was adjourned at 6:29 p.m.