

Joseph Hoffmeier– Chairman  
Dino Cantelmi– Vice Chairman  
Lynn Cunningham– Treasurer  
Diana Morganelli– Secretary  
Billy Kounoupis – Member  
Bryan Callahan– City Counsel Liaison  
Kevin Livingston– Executive Director

Jim Broughal – BPA Solicitor

## BETHLEHEM PARKING AUTHORITY BOARD OF DIRECTORS MINUTES

A regular meeting of the Bethlehem Parking Authority Board was held at 4:00 p.m. on December 6th, 2017 at the offices of the Bethlehem Parking Authority, 85 W North Street, Bethlehem PA 18018.

The following were in attendance:

Joseph Hoffmeier-Chairman  
Dino Cantelmi-Vice Chairman  
Lynn Cunningham-Treasurer  
Diana Morganelli-Secretary  
Billy Kounoupis-Member  
Jim Broughal-BPA Solicitor  
Kevin Livingston-Executive Director

Also in attendance:

Jeremy Alleshouse-Operation Manager  
Dick Lynn-Operation Manager  
Jill Fessler-Finance Manager

Joseph Hoffmeier called the meeting to order at 4:30 p.m.

### **MINUTES**

Mr. Hoffmeier asked the Board for a motion to approve the minutes. A motion was made by Diana Morganelli and seconded by Dino Cantelmi to approve the minutes from the December meeting.

Motion passed unanimously.

### **COURTESY OF THE FLOOR**

Linda and Robert Gotzon from 1516 Easton Ave were here to appeal their handicap sign decision. Mr. and Mrs. Gotzon attended the meeting to discuss their handicap sign that they had since 2006. Mrs. Gotzon explained that the sign has been taken down and we were told that we would need to reapply. She explained that we were denied since we have off-street parking. She explained that we do have back street parking for one vehicle; however, our truck doesn't fit in the back and would stick out onto Parker Street. Also, she explained that the paperwork from his doctor stated that he couldn't walk approximately 50 feet without having an issue. From the back of our house, it is approximately 75 feet. From the front of our house, it is 25 feet from the street into the house. She explained that it would be more convenient for him to park in front of our house. Lastly, she explained that parking is a problem on their street even when he had the sign. Mr. Livingston explained that we noticed the sign when standardizing all the signs in the City and discovered that we didn't have this sign on record which prompted the letter to reapply. Mr. Livingston explained that we denied their application since they have off-street parking. I did speak to them so that is why they are here today to appeal the decision. Mr. Hoffmeier announced that we would discuss their appeal and then we would get back in touch with them. Mr. Livingston explained that he would call them and then follow it up with a letter.

Martin Romeril from 26 W Market St attended the meeting. He explained that he had three questions. He explained that he attended a meeting in the fall and there was an item on the agenda about the sale of the Broad St Lot and he noticed that this agenda had the sale of the Broadway Lot. He wanted to know if the lots sold by the Parking Authority are put out for the public bid. Attorney Broughal explained that he may call the Executive Director at any time to discuss any matter. Mr. Romeril explained that he had two more topics to discuss. Two years ago, there used to be the Citizen's Parking Appeal Board. It was staffed at the direction of the Mayor by the citizens of the City. They would meet and vote on appeals by residents such as the individuals that just left. He explained that he would like the Board to reestablish this Board so that residents would have some input into parking appeals. Mr. Romeril explained that his third comment and final comment is when you enter the building there is no way a person in a wheelchair can get in here. Mr. Hoffmeier explained that they may enter the rear door. Mr. Livingston explained that it is ADA accessible. Mr. Romeril explained that we should post a sign on the front door that there is an ADA accessible entrance in the back. Mr. Livingston explained that he has seen handicap individuals enter both entrances and that all the handles are ADA accessible in the both the front and the back. Mr. Livingston gave him his telephone number to discuss further.

### **DIRECTOR'S REPORT**

Mr. Livingston explained that the only item that he has on his report is that the Mayor has requested that all Boards in the City of Bethlehem post their minutes. So as of January 1st, 2018, we will post our minutes online.

### **SOLICITOR'S REPORT**

Mr. Livingston explained that we have a stair tower over at the Commons Deck. It is a small pedestrian bridge over to the Main Street Commons building. He explained that when we purchased the deck back in 2009, there was an easement that was put in place for the stair tower. The easement

stated that the owner of Main Street Commons would maintain the stair tower. We reached out to the owners to do an updated easement. The intent is that we're going to sell the stair tower to the building owners so that there is no easement. The owners would be responsible for everything. This is the easement that will get us to a future possible sale of the stair tower. In this easement, it makes it clear that all the maintenance must be done by the owners of the Main Street Commons. We had an engineer evaluate the stair towers and that report was provided to the owner of the Main Street Commons. This easement clarifies who is responsible to maintain the stair tower. If they don't purchase it, they would have to have it reevaluated every two years to insure it is being maintained correctly. If they don't maintain the stair tower, we have the right to terminate their use. Mr. Livingston did state that the inspection was not bad. It's in great shape. Everything is minor that needs to be done. So, there's no chance that it's going to get shut down. Mr. Livingston is asking the Board to accept this easement so we can execute it with the intent that in the future they may purchase it. Mr. Hoffmeier asked the Board for a motion to approve the easement. Motion was made by Dino Cantelmi and seconded by Billy Kounoupis to approve the easement. Motion passed unanimously.

Attorney Broughal explained that the other matter that we must discuss, that has been requested by the Mayor, is to formally decertify the Long St Lot from the CRIZ designation. Attorney Broughal is asking the Board to decertify the Long St Lot from the CRIZ designation. Mr. Hoffmeier asked the Board for a motion to decertify the Long St Lot. Motion was made by Lynn Cunningham and seconded by Billy Kounoupis to approve decertification. Motion passed unanimously.

## **FINANCIAL REPORT**

Jill Fessler reported that as of October 2017, our total operating revenue for the month was \$453,813 our total operating expenses were \$358,154 leaving us with a net income in the amount of \$95,659. Looking at the cash flow projection for October 2017, we began the month with \$1,865,193 and we ended the month of October 2017 with \$2,114,260. Our current assets for the month of October 2017 were \$4,477,170 our restricted assets are \$839,686 our total long-term assets were \$29,128,526 ending the month with total assets of \$34,445,382. Our current liabilities were \$821,470 our total long-term liabilities were \$24,172,890 our short-term loan in the amount of \$1,268,627 and our total equity of \$8,182,396 our total liabilities and equity equaled \$34,445,382. Mr. Hoffmeier asked the Board for a motion to approve the financial reports. A motion was made by Diana Morganelli and seconded by Dino Cantelmi to approve October 2017 financial reports. Motion passed unanimously.

## **OLD BUSINESS**

### **Handicap Appeals/Guidelines**

Mr. Livingston explained that the Handicap Appeals/Guidelines are being put on the agenda for the January meeting. We will need to have lengthy discussions on revamping the whole system.

### **Musikfest & Celtic Classic**

None

### **2016 Audit**

Mr. Livingston asked the Board if they could vote to accept the audit. He explained that everyone should have seen the email including the memo. The Auditors came back and said that they were acceptable changes. Mr. Hoffmeier asked the Board for a motion to approve the 2016 Audit. A motion was made by Diana Morganelli and seconded by Dino Cantelmi to approve the 2016 Audit. Motion passed unanimously.

## **NEW BUSINESS**

### **2018 Budget**

Mr. Livingston announced that the next item is the 2018 Budget. He explained that he is just going to highlight a few things and the Board should let him know if they have any questions. The first item is the Revenue Highlights which highlights the revenues of the Parking Authority. Mr. Livingston mentioned that when he first started here, we were taking three-year averages for everything unknown. Finally, our three-year averages are starting to make more sense. If you look at Walnut and North Street transient, you see 2018 increase based on a 3-year average. He explained that as we discuss the revenues, our revenues will start to plateau. So, our 3-year averages are starting to pay off. Another highlight on the Revenue Highlights is the Special Event Revenue. Due to some feedback from Diana and the DBA, we started to sell events more regularly. Our first event we started to sell is the Christmas tree lighting. Jeremy Alleshouse explained that we had a lot of people attending and there were little interruptions getting out. Mr. Livingston explained that we now take credit card and cash at the entrance. He also explained that we sell that Friday and Saturday after Thanksgiving and every Saturday up until the end of December. We leave North Street alone so if they don't want to pay the five-dollar flat rate they may still pay the hourly rate. This allows for everyone to leave the garages with little problems. Next, Mr. Livingston discussed the Valet Revenue. He explained that last year we lost two locations so we no longer valet at the Broadway Social and at the Hotel Bethlehem. The Hotel Bethlehem hired their own private valet company called Park Inc. They no longer need our services so the valet has less staff due to less demand. We have more cancellations at Artsquest since they do their own valet for certain events. Lastly, he explained that Valet does not make money. He explained that a possible rate change should be discussed next year. Mr. Livingston explained that next we were going to discuss Expenditure Details. As you can see, the second line item is the Health Benefits which have increased almost 9%. We did negotiate in the CBA an increase on what the employees pay towards the health care. Also, he explained that Gasoline, Utilities and Communication are up. Mr. Livingston explained that now that we have New St Garage on line, all our expenses are going up. Mr. Livingston explained that to keep costs down, we will continue to get three quotes from vendors. Although some costs are out of our control, you will see increases due to the CBA. There is an increase for the cost of living. Again, the budget is a 3-year average. If we continue to be below the three-year average, I will be happy. Continuing with Expenditure Detail, I wanted to highlight the continuing expenditures like the increases in Uniforms. These increases reflect that we are continually investing back into the Authority. This is the theme in the budget. The next item to discuss is Depreciation. Now that we've opened the New St garage, we have booked the depreciating asset which will reduce our value and increase our Depreciation expense until fully depreciated in 30 years. Mr. Livingston explained that the next items to discuss are the Capital Items. The first Capital Item are the Meter Housings. We discussed the housings before and we're going to continue to do streetscape improvements. The second item is our Maintenance Vehicle which is our utility truck. We will continue to maintain our fleet and to replace older vehicles. The third item is the License Plate Recognition. As of January 1<sup>st</sup>, we will be replacing our residential permits by plate in the residential zones. There will be no more stickers as

we move into 2018. Jeremy is working very hard. We're going to permit by plate in the parking lots and pay by plate in the parking lots. The next item to discuss is the Genetec Server. This is technology that we must keep up with due to the LPRs. This is a server upgrade that will allow us to add more units. Mr. Livingston explained that we will be completing additional office renovations and renovations to the break room totaling \$25,000. The next Capital Item is the Think lite/LED conversion. This year, we converted all the lights at the Lehigh Riverport to LED. Mr. Livingston explained that it is less dark and it will pay for itself. We invested \$13,000 and we will realize energy savings over the next 2 1/2 years. He explained that the \$32,667 is the upfront capital for North Street. He explained that we want to convert North Street to LEDs and eventually do the entire system. Mr. Lynn explained that we completed the Upper and Lower Commons. Mr. Livingston explained that we are going to make the whole system LED. In the end, it will pay for itself. The next item is the 2018 Capital Improvements. Desmond is projecting about \$400,000 or \$500,000 at the Commons and then \$100,000 to \$125,000 at the Walnut St Garage. There is \$50,000 built in for consulting services. Mr. Livingston explained that he would like to finance our capital repairs through a three to five-year line of credit. We can pay it off with cash flow if we have it or we can roll it into our next bond issuance. The last Capital Item in 2018 is the Union Blvd and Long St Projects. We went out to bid and we received bids ranging from \$470,000 to \$670,000. Mr. Livingston explained that he is working with Maser and the City to reduce our costs. We will go out to bid since we have the money as a line item. I think we all should be prepared that it might be more than \$400,000. During the next bid, we will expect the lowest bid since these projects are very important to the City. Next, we will discuss the Budget Comparisons by going over the summary. The total Revenue projected year end for 2017 is \$5,433,509. The total 2017 Budgeted Revenue is \$5,019,948. The total 2018 Budgeted Revenue is \$5,585,919. We're budgeting 5.5 million so I think that's a reasonable number. The 2017 total Year End Expenses were \$4,193,922. The 2017 Budget was \$4,283,599. The 2018 total Budgeted Expenses are \$5,521,001 million. Again, you will see this drastic increase in the expenses and that increase is depreciation and debt service. We now have debt service for a new deck. In 2018, we anticipate our net is negative \$460,082 after we make the transfer to the City. Mr. Livingston explained that this may look bad but if we look at the cash flow it will show a different story. The last item that we will discuss is the 2018 Cash Flow Analysis. Looking at the 2018 Cash Flow, we're going to start the year in January with \$1,771,492 and we will end the year with \$1,683,157. This includes the \$400,000 cash that we're spending on two projects for Union Blvd and Long St and all the capital improvements we just discussed. Mr. Livingston explained that even though our net is at a negative \$460,000, when you look at the Cash Flow we'll be down a little bit not \$460,000. Mr. Livingston asked the Board if they could vote to approve the 2018 Budget. Mr. Hoffmeier asked the Board for a motion to approve the 2018 Budget. A motion was made by Billy Kounoupis and seconded by Diana Morganelli to approve the 2018 Budget. Motion passed unanimously.

### **Riverport Desman Analysis**

Mr. Livingston announced that the next item under new business is the Riverport Desmond analysis. This is the same analysis that we did for the Walnut Street, the North St, and the Commons Garages. This is another look at what capital repairs Riverport would need. If it's an emergency repair, we would do the repairs in 2018. If it isn't an emergency, we would schedule it for 2019. Mr. Livingston explained that Desman's cost of the repairs is in line with the cost of all the garages, with a little increase for cost of living. Mr. Livingston is asking the Board to approve the Riverport Desman's Analysis to analyze the capital repairs. Mr. Hoffmeier asked the Board for a motion to approve the Riverport Desman's Analysis. A motion was made by Lynn Cunningham and seconded by Billy

Kounoupis to approve the Riverport Desman's Analysis. Motion passed unanimously.

## **CBA**

Mr. Livingston announced that the last item under new business is the Collective Bargaining Agreement. Everything that has been bolded was changed. The main changes are that we gave a 3% increase to the employees that are outside of the steps. The Contract will run for another three years. A big change is that we negotiated out of the pension for new employees. Beginning January 1<sup>st</sup>, 2018, the Authority will put 4% of employees' salary and the employee is mandated to put three and a half percent of their salary for a total of 7.5% of their salary into a 401A. They will vest over a total of 6 years. Mr. Livingston asked the Board to accept the Collective Bargaining Agreement. Mr. Hoffmeier asked the Board for a motion to accept the Collective Bargaining Agreement. A motion was made by Dino Cantelmi and seconded by Lynn Cunningham to approve the Collective Bargaining Agreement. Motion passed unanimously.

## **Adjournment**

Mr. Hoffmeier asked the Board for a motion to adjourn. Diana Morganelli made a motion to adjourn the meeting and Dino Cantelmi seconded.

**THE NEXT BOARD MEETING WILL BE HELD ON JANUARY 24<sup>th</sup>, 2018**