



Ted Zeller – Chairperson  
Candida Affa – Vice Chairperson  
Santo Napoli – Treasurer  
Daryl Hendricks – Secretary  
Seth O’Neill- Member

John N. Morgan – Executive Director  
Dan McCarthy, Davison McCarthy – APA Solicitor

## **ALLENTOWN PARKING AUTHORITY BOARD OF DIRECTORS MINUTES**

A regular meeting of the Allentown Parking Authority Board of Directors was held at 12:00 p.m. on Wednesday, March 23, 2022, at the Office of The Allentown Parking Authority, located at 603 W. Linden Street, Allentown, PA 18101.

The following attended:

Ted Zeller – Chairperson  
Daryl Hendricks – Secretary  
Santo Napoli – Treasurer  
Seth O’Neill – Member  
Dan McCarthy – APA Solicitor  
John Morgan – Executive Director  
Jon Haney – Deputy Director  
Christina Dayton – Deputy Director  
Christina Nolden – Minutes

Candida Affa – Vice Chairperson (Absent)  
Connie Abercrombie – Finance Manager (Absent)

Mr. Zeller called the meeting to order at 12:17 p.m. Mr. Zeller asked for an approval of the February 23rd meeting minutes. Mr. Zeller made a motion to approve. Mr. Hendricks seconded it. The Board voted and approved the February 23rd meeting minutes.

### **2022 BUDGET REVIEW**

Mr. Zeller started by moving the budget matters to the front of the agenda. Mr. Morgan noted that the only APA capital expense is Spiral deck. There is no room for a big project. Mr. Zeller asked about repair and maintenance section on page 5. He asked if that amount includes the cost of Spiral. Mr. Morgan stated that we do not have the numbers in yet. Mr. Zeller requested for any concerns, questions, or comments. Mr. Zeller asked Mr. O’Neill if he had any thoughts. Mr. O’Neill mentioned that there is a lot of debt service. Mr. Hendricks stated that overall, there are a lot of increases. Mr. Morgan stated that we finished at \$10.5 million last year and the budget is showing \$10.8 million. Mr. Zeller asked for the APA debt service ratio. Mr. O’Neill confirmed it is 28% but it includes an estimate of the Maple Street loan. Mr. Morgan confirmed that whatever it is APA is safe because ESSA bank would not give APA a loan. Mr. Zeller asked

if what is projected for next year and if there will be an issue. Mr. O'Neill asked for APA's current cash reserve. It is confirmed that there is a reserve of \$2 million to set aside for the Spiral deck. Mr. O'Neill asked about a risk allocation for claims, losses, or lawsuits/judgments. These items are covered under the insurances. Mr. O'Neill stated that he is not opposed to the idea of have a decent amount of cash reserve. Mr. Zeller mentioned that the goal for cash reserve is to have 3 months. Mr. Napoli asked when we went to 24 hours of enforcement. He noticed the jump in tickets. Mr. Morgan stated that enforcement slowed during COVID and now there is dispatch. Mr. Morgan also stated that UP Safety was implemented which made a jump in numbers. Mr. O'Neill requested that a footnote be added on page 3 to state there is a reason for an increase in ticketing. It was noted that on page 4 there was an increase in salaries. Mr. Morgan stated that there was an increase due to an increase in management coverage. Mr. Morgan stated that we now have more supervisors and we have added a meter department. To better understand the percentage of salary increases, it was requested that it be reworded to state that there is a salary increase due to a shift to a 24-hour operation. Mr. O'Neill asked for the total liability for OPEB expenses. Mr. Zeller stated that is limited and there is a very small pool of people in it. Mr. O'Neill confirmed that we do not offer retiree health insurance anymore. Mr. Santo asked if we are using LEDs in the decks to help conserve in energy costs. Mr. Morgan confirmed that APA is using all LEDs. Mr. O'Neill asked about Federal grants. Mr. Morgan confirmed that we just did work on grants.

Mr. O'Neill made a motion to adopt the 2022 Budget. Mr. Napoli seconded it. The Board voted and approved the 2022 Budget.

### **EXECUTIVE DIRECTOR'S REPORT**

Regarding parking rates, Mr. Morgan started with a short list of people who have more than 30 and above parking permits. The biggest is ADP, which is \$63.75, to \$75.00, to \$35.00 for health bureau, to \$45.00 for Cityplace Apartments which are residential. Mr. Zeller stated there is no uniformity. Mr. Morgan stated that we have some at \$75.00, some at \$40.00. PennDOT has 57 permit holders at \$40.00. Mr. Zeller asked if there any contracts that are in place or is it what is in our system and what we are billing. Mr. Morgan stated that APA stopped writing discounts to then have dedicated discounts. The issue is that APA can not have any transient parking in Spiral. Mr. Zeller asked for a joint discussion about raising all of the rates and then having a uniform discount for bulk parking. Mr. Morgan agreed there should be a rate increase. Parking is at such a premium that APA shouldn't be discounting anything. Mr. McCarthy stated that there have been previous conversations at board meetings where the issue of discounted rates was discussed and there were resolutions. Mr. Morgan said that the top 1,300 parkers of the 4,200 permit spots is City Center either through ADP, LVHN, Cityplace Apartments, Strata, or Strata Flats. Mr. Zeller asked for a comprehensive review of all the APA off-street parking rates as they are today with a recommendation on increases to begin September 1. There will have to be notice given to the contract parkers, perhaps 120 days. August 1 could be a possible start date. Mr. Zeller asked if APA could provide all the rates of all the parking with recommendations on an increase and the possibility of a bulk discount. Mr. Zeller stated that the decks and surface lots are priority. Mr. Zeller stated that we need to focus on off-street so that we can have a general discount factor. City Center is paying \$63.75 for ADP in a deck that is normally \$80.00. City Center has a \$16.25 or 20% discount for somebody with 500 spots. Mr. Morgan stated that the only advantage would be that APA can provide one invoice. Mr. O'Neill asked what the point was for raising the rates. Mr. Morgan stated that we can't discount at the current rate. So, there needs to be a raise in rates and then a discount. Mr. O'Neill said we just talked about finances, APA presented a balanced budget, with a healthy cash reserve so what is the purpose of raising the rates. Mr. Zeller stated that we are so behind market and our expenses are going up. The APA decks are cheaper than any other city in the Commonwealth. Mr. Hendricks asked if our

deck size is comparable to others. Mr. Zeller confirmed yes. Mr. Morgan said to just look at the labor rate alone. Mr. Morgan stated that when he started the labor rate for a PEO was \$12.00 and now it is \$19.50, and APA still can't hire what is needed. Mr. O'Neill asked if we assume that we are going to have a budget deficient. Mr. Zeller and Mr. Morgan both said no. Mr. Morgan stated that with the growth downtown we will be able to cover with our revenues, but what happens when APA needs to build a deck on Germania or down at the waterfront which is happening now. Mr. O'Neill asked why these things are not expressed in the budget. Mr. Morgan said because no one has put pen to paper, and they could lag for another year. Germania was being built before Maple Street because before COVID, exactly 2 years ago, City Center had an anchor tenant for the new building going over the bank. Mr. O'Neill asked if Germania is going to bring in less revenue than what it is going to cost. Mr. Morgan stated that we do not have the revenue to pay the debt service for Germania. Mr. O'Neill asked if Germania will be an additional expenditure. It was confirmed that it will be paid by bonds so there will be more debt service. Mr. O'Neill asked at what point will APA be too debt heavy. Mr. Morgan said that this is why APA is looking for additional revenue to pay off the debt service. Mr. Zeller stated he has a different view. Mr. Zeller does not think whether we have a sufficient surplus or whether we are meeting our obligations is the analysis as to what our parking rate should be. Mr. Zeller believed that it should more flow on market rates. If that results in an additional million dollars of revenue, then that million dollars of revenue is turned backed to the city because it is over and above what we have to do it. Mr. Zeller stated that he is looking at this from a market perspective. If someone is going to come here and own a parking lot and charge, they could be like City Center who has spaces from APA that they recharge their tenants by an extra \$30.00 to \$40.00. Mr. Morgan stated that they do it over our standard rate. APA gives them a discount and then they mark it up even more. Mr. Zeller stated that on some occasions they are charging on regular rates. They are charging \$110.00, \$120.00 a month per spot. Mr. Hendricks stated that with the understanding that they are billing one time. Mr. Zeller again stated that he is looking at it from a market rate perspective and not whether our books are balanced. Mr. O'Neill asked what the strategic plan was then with the money. Mr. O'Neill asked if APA is going to use this to cover debt or to pay back the city. Mr. Zeller stated that he is trying to build up the health of the organization. Generally, whether that is turning back money to the city, over and above what our costs, expenses, and our revenue reserve. When banks look at our finances APA will have flexibility to build. Mr. Morgan stated that we need to have the ability to pay back loans. Mr. Zeller stated that part of this analysis needs to be our comps. Mr. Zeller said that when he goes to Harrisburg, he has to pay \$20.00 for a 2 to 3 hour minimum. Mr. Zeller asked to see numbers from Harrisburg and Lancaster, maybe Philadelphia and Pittsburgh. Philadelphia and Pittsburgh may not be fair comps. We should look at Bethlehem and Easton. Also, let's look at Wilkes Barre and Scranton even though those are depressed areas. If Wilkes Barre and Scranton are higher than us, we are laughable. Mr. O'Neill stated that he doesn't have a fundamental problem raising rates. He would like to know what strategic plan this is being tied to, whether it's a long-term fiscal plan or whether it's a new capital project that will require borrowing. We are not just tying it to the market to just do it. There needs to be something that we are thinking about paying for in the next five years. Mr. Zeller stated that we have two potential projects. There is one down at the waterfront that we even contemplated to make the numbers work. There would be a specific special waterfront parking rate zone whether it would be \$84.00 for lots up here and \$100.00 per month for down at the waterfront because it would be the only way to raise the finances. So that was something we've looked at on a more of a silo that way just for doing that specific project. The board has had some specific discussions with specific financial plans on building the deck. Mr. Morgan has pursued those grants so APA would not have to do a special financing rate amount down there. Mr. O'Neill said that he is looking at the parking authority too much in a silo whereas if we are tie the rates more to market value whatever those people are paying then may even be repurposed back to the city if there is too much of a reserve. Mr. Zeller stated 100%. Mr. O'Neill mentioned maybe we stockpile it for a new bond issuance. There are a

lot of ways to look at it. Mr. Zeller stated that when he leaves his seat, he wants to turn over a couple million dollars over to the city on an annual basis. The only way to do that is to build a better machine. We are behind right now just because of the growth so we are always playing catch up games with capital projects. The fact that we were nimble enough to build Maple Street is certainly a credit to the people with the shovels in the ground and put in the rebar and the concrete. The board had its stuff together to be able to stay ahead of City Center and it was fortuitous because we have this issue with the Spiral deck and the timing is going to work out and DaVinci parking will be seamless up there. Mr. McCarthy stated that overall, we are now enhancing the quality of life downtown, bringing people in and bringing businesses in. Mr. Morgan agreed, that's his point, more than dollars and cents. His point is we are enhancing the city. Without the parking authority, the developers can't develop. Mr. Morgan stated that we have a request right now for one tenant who wants 80 parking spots in the Spiral deck for the Grand Plaza come July 1st. We only had 4 open parking spaces yesterday in Spiral deck. Mr. O'Neill asked so if we vote to raise rates this year should the city be budgeting revenue coming from the parking authority in 2023. He stated that early fall, late summer would be good to know. Mr. Napoli confirmed that the rates would be raised for transient and contract parkers. Mr. O'Neill asked if for street we would have to go through council. Mr. McCarthy confirmed that by in large the answer is yes, but not for contract parkers because those are private lots owned by the authority. Mr. McCarthy stated that we are enforcing city ordinances on city streets. Mr. O'Neill said for the record that he is in favor of raising the street ticketing. Mr. Zeller stated that he is not sure about raising transient parking rates. Mr. Morgan explains that the rates here are low because people are paying a dollar an hour. You go to Harrisburg, \$20.00 an hour. Mr. Zeller stated that we have never raised the rates. Mr. Napoli explained his concern that if you raise transient rates in garages and it ends up equally the street rate there will be an issue. Mr. Napoli asked will street parking need to be increased as well to keep people parking in the decks. Mr. Morgan noted that it needs to be done as a total plan. Mr. Zeller indicated that our cadence should be contract parking of all the private lots, look at street rates second, third is transient rates in decks because street rates and transient rates go hand in hand. Mr. Morgan said yes because you can't be more expensive in the garage than you are on the streets. Mr. Napoli stated that he is trying to get visitors back downtown and the last thing he wants to see is raising the rates. Mr. Morgan asked who are the people that Mr. Napoli is worried about. Mr. Morgan questioned if they are visiting retail stores. Mr. Zeller said no because we do not have enough retail. Mr. Morgan asked other than Mr. Napoli who are they visiting. Mr. Morgan has asked other woman if any of them buy clothes downtown. Mr. Morgan again asked who the visitors are. Mr. Morgan asserted that people are going to the office buildings or the courthouse or the Federal courthouse. Mr. Napoli stated that people are going to the restaurants to eat. Mr. Zeller reminded Mr. Morgan that the Sports and Social will be opening in 60 days. Mr. Morgan stated that they won't be parking on the street. Mr. Morgan stated that the whole game plan needs to be looked at one time because to Mr. Napoli's point if you make a garage too expensive then they will park on the street. If the street is too expensive, Mr. Napoli is concerned about the visitors. Mr. Zeller agreed with that but stated that those are two prongs on two separate control factors. One a legislative body to a certain extent we have control over some of that which would have to be a part of the program and that legislative body is very difficult and not necessarily prone to raising parking rates. We did something with the flex thing and that was like pulling teeth versus what we control and that is the transient rates. Mr. Zeller asked to get the contract rates review done. We need a survey done of other cities rates, including the transient rates so we have that data. Mr. Morgan said we will have copies of the survey, but it will also go up on the screen. Mr. Morgan wanted to set the stage because he has already offered the city \$500,000.00 a year just by raising the violations. Mr. Zeller asked how we move that forward. Mr. Zeller asked if we could clear the agenda and focus on rates. Also, Mr. Zeller would like to invite the mayor. Mr. Zeller suggested that Mr. Morgan submit his executive report in written form next month. Mr. Zeller requested for the current rates of all the

surface lot rates. If there are multiple rates, then just give an average. Mr. Morgan asked for clarification that Mr. Zeller wants to look at all of the lots. Mr. Zeller said he wants to look at all of them, but he is less inclined to raise the neighborhood lots, especially the 7A lot. Mr. Haney stated that the surface lots are a different dynamic, some are just purely contract only and others are contract and transient. Mr. Zeller noticed that there needs to be better consistency. Mr. Haney stated that some are already negotiated contracts. Mr. Zeller indicated that decisions can be made now and then we can say effective subject to current contract. Mr. Morgan asked if the board should go into Executive Session.

The Board broke at 1:27 p.m. for an Executive Session to discuss any legal matters. The Board ended their Executive Session and the regular meeting resumed at 1:35 p.m.

### **EXECUTIVE SESSION – ACTION TAKEN**

There was just an update on a potential litigation. No action was taken coming out of Executive Session

### **EXECUTIVE DIRECTOR'S REPORT ... continued**

Mr. Morgan gave an update on North 7<sup>th</sup>. The contractor needs to redo the sidewalk and curb cut because PennDOT did not approve it. The angle was insufficient, so it did not meet ADA requirements. In the meantime, we are getting quotes to sealcoat and stripe the back part for the lot to be 100% complete. The power and fence are complete. Lights are working. The contractor could pull and repour and have it redone within two days. We will still have an entrance in and out on Allen Street so the lot would not be closed. We have one more contract parker. Last month, there was \$125.00 in transient parking.

Maple Street is progressing. There will be an RFP put out for the work at Spiral. As of now, Spiral only has 4 available spots. The repair work will take out half of two floors to do work on just one floor. There can't be any parking underneath the floor they are working on. There are hopes that the city will grant a temporary opening of the Maple Street garage in May. Northstar has two crews for the electric work. Otis is in working on installation of all the elevators. Glass is on the northwest tower. If the city gives a temporary opening, we can start moving people out of Spiral to the Maple Street garage and then repairs can start on the Spiral deck. Mr. Zeller asked if we are good on the construction budget. The overrun right now is maybe less than \$100,000.00. We are over the bank contingency of \$100,000.00. We are out-of-pocket about \$100,000.00. The overages were in the ground that could not be seen. The contingency has already been used. Mr. Morgan stated that there is a possibility that we could still be under budget.

An event manager was hired two weeks ago. He has grasped the whole event situation. However, there are still only 4 event people, even with us offering \$20.00 per hour.

Mr. Haney reported 122 double parking tickets on North 7<sup>th</sup> Street in February which was 18 more than January. Year to date was plus 4 over where we were in 2021. 7A lot is now at 18 permits from 17 last month. We received 1,366 dispatch calls for service in February which was more than we had last year. January was 1,279 calls which was up from 804 in 2021. So far for 2022 we are plus 586 calls for service over what we were at this time last year. Regarding events, Mr. Morello is also taking over the city event permits. This goes back to the mayor's comment about the parking authority being more involved in controlling the curb. In the past the city issued no parking signs for events, the APA will now be doing that with Mr. Morello handling it. We have had several very successful meetings with Lucinda and the city's permit committee.

On April 1<sup>st</sup>, we will oversee the postings and the enforcement with towing during events. A shared team's calendar has been set up between the committee and the APA so that the permit people can see where APA has already sold no parking signs for a wedding or tree removal or a new roof. Street department is no longer issuing no parking signs. APA is the sole entity issuing no parking signs for city events which will then allow us to enforce it. Captain Diehl, the APD contact on the committee, is very grateful for APA stepping up.

The customer service manager is doing well. All the board has her contact information. A fifth bilingual customer service representative will be starting.

Mr. Napoli asked if it would be worth doing another walk around to get more transient people to park in the 7A lot. Mr. Morgan asked what Mr. Napoli is trying to accomplish. Mr. Napoli stated that perhaps for more education that the lot is available. Mr. Morgan said we could do counter cards to put into stores. Signs have been made to advertise the lot. Mr. Napoli also brought up not enforcing head in parking during events. Mr. Zeller asked how many tickets are being issued for head in parking. Mr. Morgan said he would have to get him that number. Mr. Napoli asked if there could just be a warning for a first offense. Mr. Morgan stated that people just do what they want to do. Mr. Morgan also stated that we are obligated to enforce the law. Mr. Zeller asked what are trying to enforce besides head in parking. Mr. Morgan replied that is how APA uses the LPR to read a license plate. A license plate is needed for enforcement if a vehicle is stolen, unregistered, uninsured, not inspected, there are a number of violations, or the car has been there for 7 days. Mr. Haney stated that it is for consistency as well. Mr. Zeller stated that Mr. Napoli has asked for no enforcement during events only because that is when we get the most transients. Mr. Napoli stated again that perhaps there could just be a warning for a first-time offense during events. Mr. Hendricks agreed with the request for a warning. Mr. Zeller suggested that we get back to this when both Ms. Affa and Mr. O'Neill can weigh in on this request.

## **FINANCIAL REPORT**

The financial report was tabled.

**This meeting was adjourned at 2:04 pm.**  
The next Board Meeting will be held on Wednesday, April 27, 2022.