



Ted Zeller – Chairperson
Santo Napoli – Vice Chairperson
Daryl Hendricks – Secretary
Bina Patel – Treasurer
Yamilett Gomez - 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, February 28, 2024, at the Offices of the Allentown Parking Authority, located at 603 W Linden Street, Allentown, PA 18101.

The following attended:

Ted Zeller – Chairperson
Santo Napoli – Vice Chairperson
Daryl Hendricks – Secretary
Bina Patel – Treasurer (Absent)
Yamilett Gomez - Member
Dan McCarthy – APA Solicitor
John Morgan – Executive Director
Jon Haney – Deputy Director
Christina Dayton – Deputy Director
Jayme Adams – Minutes

Guests:

Daryl Peck (Concord Financial)
Kevin McNulty (The Allentown Parking Authority)
Lindsay Weber (Morning Call)
Jennifer Dalrymple (City Center)

CALL TO ORDER

Mr. Zeller called the meeting to order at 12:10 p.m.

APPROVAL OF THE JANUARY MEETING MINUTES

Mr. Zeller asked for approval of the January meeting minutes. Ms. Hendricks made a motion to approve the minutes, Mr. Napoli seconded the motion. The Board voted and approved the January meeting minutes.

EXECUTIVE DIRECTOR'S REPORT

Mr. Morgan reports on the closing of the 940 Linden Street Deck which occurred today, February 28, 2024.

Mr. Morgan reports on construction projects. The roof on Spiral Deck over the elevator banks that have been leaking for a long time due to improper maintenance was completed a couple weeks ago. As of yesterday, the fascia on the pillars have been repaired as well as the cap to prevent water from getting in there again. We have been informed that we have another issue with Spiral deck. The fascia on the south side facing the grand plaza building on the fourth floor is now pulled away almost half an inch. We had an estimate done on that. Mr. Zeller asks if it is above the Montessori School and Mr. Haney confirms that it is not it is above DLP's parking lot. Construction for repairs will begin in a couple of weeks. Mr. Zeller inquires about the cost for this project and Mr. Morgan states it should be about \$27,000.

Mr. Morgan announces that A&E network has reached out with a request to do Parking Wars in Allentown. He inquires if we want to entertain that. Discussion ensues, with some parties stating it would be positive and some that it would be negative. Ultimately, Mr. Zeller would like this to be presented to the Mayor, City Council, and City Center. Mr. Morgan will ask them when they need an answer from us.

Mr. Morgan brings up an issue with Government Deck. We experience on a given day 175 jurors coming in. Monday afternoon we were over there making sure all the jurors were able to get in due to limitations. Mr. Morgan is concerned that we haven't heard anything from the city regarding their plans for the police department. He wants to know what the parking requirements are going to be and if it is going to affect jurors' ability to park in Government Deck. Jurors used to park in Community Deck and depending on parking availability with more city and police cars using spaces in Government Deck. Discussion ensues. Mr. Hendricks states that nothing is set in stone for the police plans yet. Mr. Morgan states that the plans show that the pedestrian bridge, that belongs to the Authority, is marked for removal and rebuilding. Mr. Hendricks states that he was unaware of this and nothing is finalized.

Mr. Morgan announces that he is the nominee for International Parking and Mobility Institute (IMPI) executive board. The board offers congratulations.

JANUARY ENFORCEMENT RESULTS

Mr. Haney reviews enforcement results.

3 tickets were issued on the 7th Street area of focus.
7 tickets were issued on the Hamilton Street area of focus.

The siren was used 390 times. Mr. Zeller states that the sirens are just not working to reduce double parking. Mr. Haney agrees.

Dispatch received 1286 calls in January.

In December, using our technology we identified and helped recover 3 stolen vehicles.

Mr. Zeller states that we opened the decks for snowstorms and there is a discussion around utilization. Mr. Haney states that each deck took in approximately 30 cars for all the storms combined so far. Mr. Zeller shares that he noticed that the parking on the streets during the storms was a mess and the board discusses, along with guest Kevin McNulty, the Authority's Community Relations Specialist, how we can get the message out to the community about the offer for free parking during storms to allow the City to do their jobs clearing the streets. Despite it being on the Authority's website, on social media, and text alerts sent it seems many residents haven't gotten the message.

Many different ideas from pressers in the media, to radio outlets, to sandwich boards outside of decks are discussed.

JANUARY CUSTOMER APPEALS RESULTS

Ms. Dayton reviews the results.

In December there were 170 appeals. 91 were found valid. 11 were dismissed. 68 were made into warnings. 54% were valid and 46% were dismissed or reduced to a warning.

Mr. Zeller states that those percentages are consistent, and he is happy with appeals numbers. He also comments that is a higher number than we have seen yet.

PAYMENT PLAN REPORT

Ms. Gomez reports that the payment plan committee met via zoom on February 1, 2024. Upon the conclusion of that meeting, it was decided that Mr. McCarthy and Mr. Haney would be reaching out to their contacts at the state level to determine if we can continue to proceed with a payment plan given the way the laws are written. Ms. Gomez asks for their reports.

Mr. McCarthy reports that the Allentown ordinances are set up to provide penalties of a monetary nature and that's how it's been since the parking authority was created. He continues that they investigated Reading. Reading has a different system of collection enforcement. They do not use the criminal justice system. They stopped that around 2018. Mr. Zeller states that is why they have \$28 million in debt from uncollected tickets. Mr. McCarthy says that is correct and continues to clarify that they use booting and towing as a means of enforcing as a vehicle to incentivize people to pay their delinquent tickets. He also explains that they have had tremendous turnover in their hierarchy. They've had several executive directors and several other high ranking officials as well as board members left in mass. The solicitor who Mr. McCarthy spoke with has been there since roughly 2018. The issue is, in Allentown, if we wanted to go to that system it would require a revision of our ordinances. Mr. Zeller states that it doesn't seem like their system is working. Mr. McCarthy responds that he is surprised that they are able to function with a debt load of \$23 million, but the solicitor says they do function. Mr. McCarthy mentions there is some talk about changes in Pennsylvania state law regarding parking, but it's nothing we can bank on currently. Mr. McCarthy and Mr. Zeller have a discussion about the challenges of changing state laws and ordinances and continue to discuss the nuance of what we are currently working with. We have 30 days from the time of discovery of ownership to file with the magistrate until we lose that right, not necessarily the date the ticket is issued. It is roughly 45 days. That is time limit under the current system to issue a citation. This is a statute of the Commonwealth of Pennsylvania.

Mr. Napoli recollects part of the discussion during the meeting regarding the opportunity to make partial payments. Mr. McCarthy clarifies that the way the law was written leaves a grey area as to whether or not if an unpaid portion of the ticket could be sent to the magistrate. More discussion ensues regarding how we currently operate with the district judges and some pontifications around how we could, within the law, operate to allow more leniency with payments. Mr. McCarthy clarifies that once a ticket becomes a citation, it is out of our hands. Even if we were to allow some leniency and accept payment after a citation was issued, Mr. Haney and Mr. McCarthy expect there would be significant push back from the court due to the administrative burdens this would place on them. Mr. McCarthy questions, does the board want the Authority to have an overture to AOPC and what do you want us to request of them in regard to processing these? Mr. Zeller says, yes, let's see if we can tag certain cases to not schedule a hearing for six months. More discussion occurs among the board regarding this and they first agree that six months is a reasonable amount of time to be able to pay off

a ticket and then agree that even ninety days is a reasonable amount of time. Mr. Zeller asks how long it usually takes to get a hearing and Mr. Haney answers that it can take two to three months from filing until they get before the district judge. Mr. McCarthy suggests another issue is that once the ticket is filed and it's in their system the parking fees get piled on with the additional court fees. People may often pay more in court costs than ticket costs.

The conclusion of the discussion is that we will request AOPC agree not to schedule hearings for three months.

JANUARY FINANCE REPORT

Mr. Zeller asks if anyone wants courtesy of the floor, and all guests say no.

Mr. Zeller announces that Ms. Fessler resigned, and the Authority is currently without a finance manager. Ms. Dayton, as Deputy Director responsible for the finance department, reviews the finance report.

The budget shown in the January statement is a temporary 3-month budget based on 2023 actual results. Since it is a temporary budget, the comparison will show the January 2024 results against September 2023.

Total revenue for the month of January was \$886,886 (4% below budget). YTD total revenue was \$886,886 (4% below budget). Operating revenue was \$874,304 (2% below budget). YTD operating revenue was \$874,304 (2% below budget). Enforcement revenue contributed \$477,636 (8% below budget) and Off-Street, Events, and Customer Service contributed \$396,668 (5% above budget). Non-operating revenue was \$12,583 (51% below budget)

Total operating expenses for the month of January were \$483,040 (33% below budget). YTD operating expenses were \$483,040 (33% below budget). For the month, personnel costs were \$292,341 (45% below budget). Services and charges were \$186,355 (4% above budget), and materials and supplies were \$4,344 (60% below budget).

Overall, for the one-month period ending January 2024, total revenue exceeded total expenses by \$403,846 (99% above budget). After transfers to the capital, the City and the debt service fund, the YTD total decrease is \$241,502.

Mr. Zeller comments that personnel costs are down and inquires if we are down enforcement officers. He inquires if we have positions posted. Human Resources Manager, Jayme Adams, reports that positions are posted and that we have hired five new officers, have two in the pre-employment process, and three in training for mid-shift.

BUDGET STRATEGY DISCUSSION

Mr. Zeller opens with the need for this discussion. Last year was not a good year for the Authority. In 2023, the Authority was not just below budget, it lost a significant amount in cash. Daryl Peck of Concord Financial states that the Authority lost \$1.4 million and should have earned an additional \$4 million. Mr. Zeller wants to be clear about what this means. There is discussion around Maple Street Deck re-financing, unexpected maintenance repairs, additional unforeseen finance charges due to inflation, and a revenue loss of \$2.2 million from enforcement. The banks who are financing the decks need information from the Authority on how this is going to be addressed. We were able to pay our bills in 2023 but have depleted our reserves and are now not in a sustainable financial position. Mr.

Zeller asks for clarification on what we currently have in reserve and Mr. Morgan answers that we have \$1.7 million, but that March 1 and March 31 we will have two significant loan payments that will have to come out of reserves leaving us then with \$1.2 million remaining. Our target reserve is in the \$2.2 million range. Mr. Zeller announces that he had told our team here to put together plans on how to address revenue. Mr. Zeller states that we may be able to address expenses but feels that he has always been impressed with the control of expenses and trying to cut expenses will result in marginal cuts that won't solve the problems that Mr. Peck has discussed with the bank. Mr. Peck agrees.

Mr. Zeller states that today we closed on a deal with the Linden Street Deck that has 1200 spots. He discusses his financial point of view on the price per spot based on the cost of the acquisition and all other costs associated with it resulting in a number of \$12,000 per spot. He offers some comparisons to our Maple Street Deck which run around \$22,000 per spot and Bethlehem's current project costing around \$40,000 per spot. Mr. Zeller concludes that if you look at a deck this way financially and you look at the cost of parking we are currently charging, we are not only not charging enough per day per spot, we are losing money. We aren't covering our debt, administration, insurance, maintenance, etc. with our current rates. Additionally, we comparatively have the lowest ticket rates out of any city in the commonwealth. Therefore, we are going to look at what levers we have to adjust to increase revenue and put us more in alignment with our peers and address our deficit situation.

Mr. Haney pulls up a chart that outlines a plan that could inform the bank of our steps to improve our revenue. Mr. Zeller outlines that we are currently on pace to lose \$2.2 million this year. This chart creates opportunities for \$1.35 million within our control, which still doesn't cover our debt, but additional opportunities are outlined that could be taken to City Council that would.

Mr. Haney discusses the chart. All items are predicated on starting April 1, 2024. They are broken into items under the Board's control and items under City Council control. Line items on the chart are as follows: 1) Raise Parking Deck Rates (to be comparable with competitor rates), 2) Raise 2nd, 3rd, 4th, and 5th hours in a deck, 3) Raising permit prices on surface prices \$5 per lot, 4) Restore active overnight patrol and Sunday active patrol along with enforcing double parking in lieu of siren approach. Mr. Haney clarifies these would be for safety violations only, the only difference is we would actively patrol the whole city instead of just going from lot to lot. More discussion ensues. 5) Raising ticket prices (requires City Council vote), 6) Increasing meter rates in central business district from \$2.00 an hour to \$2.50 an hour (requires City Council vote).

Mr. Haney presents a chart that reviews all Pennsylvania ordinances and comparable authorities. The Allentown Parking Authority is significantly behind the mean of rates, and it is confirmed that rates haven't been adjusted in at least twenty years.

Mr. Zeller would like to hear from the board about these items. Ms. Gomez and Mr. Napoli are not in agreement with the fourth item regarding restoring active overnight patrol and Sunday active patrol, although they are both in agreement with the other items as well as enforcement of double parking with tickets instead of the siren. Mr. Morgan clarifies that we have always written tickets overnight and on Sundays for safety violations, we are just limited in what we find going from lot to lot as we patrol our own properties and what is called into dispatch. Mr. Zeller clarifies that the burden of reporting violations has been placed on the public to call in because we are not actively patrolling. It was April of 2023 when these changes were made. Mr. Napoli is concerned about the decks paying for themselves, so those increases make sense, but worries that we are going to find ourselves in a similar uproar as last year if we proceed with active patrol on the overnight and Sunday shifts. He feels we really need to identify what we're doing and communicate well to avoid problems. Everyone agrees that double parking is a huge issue. More discussion ensues around what is discretion and how does discretion vary from person to person and other issues such as how the public perceive parking enforcement and where enforcement is occurring. Mr. Zeller points out the appeals process was launched along with the enforcement changes, so it's hard to know how many problems the appeals process is solving. Ms. Gomez says there are too many issues with overnight and Sunday

patrolling. Mr. Zeller says he hasn't heard of any issues recently. Ms. Gomez discusses the need for more signs, which she understands is the city's responsibility but feels it affects our ability to enforce fairly. Mr. Hendricks speaks to the benefit of the appeals process but feels very strongly that active enforcement should resume and never should have stopped.

Mr. McCarthy states that everyone should consider that a new deck was bought, we've got debt, and we've got to have enough revenue to pay debts. Commitments were made to a consortium of lenders that the Authority will generate enough money to pay debts. However that is done, the Authority has to get out of a deficit situation and to at least create a neutral and hopefully positive cash flow. Mr. Hendricks states that tickets that are being written should be written legitimately, because of violations that are occurring and causing safety problems for the public. Ms. Gomez says that the signs need to be there and Mr. Hendricks disagrees and points out the parking too close to the corner is against the law. Ms. Gomez says there's no signs and no yellow paint. Mr. Hendricks states that the vehicle code doesn't require paint or a sign, it says 15' from a corner. Mr. Napoli asks about the number registered for the upcoming workshop. Mr. Morgan answers 13 and that 3 people are coming from Bethlehem Parking Authority. There is discussion about how it is being marketed. Flyers have gone to every community meeting, it is on the website, and on social media.

Mr. Zeller inquires if we reported enforcement findings since changing enforcement last April back to City Council and Mr. Haney said it was sent to Mike. Mr. Zeller wants to notify the city that we are making the changes but we have to vote on it. Mr. Zeller breaks down the votes.

Mr. Zeller makes a motion to raise the deck rates from \$1.00, hours 2-6 would be \$2.00 with a max daily rate of \$29.00, to raise permit prices on all surface lots by \$5.00, to raise permit prices on all surface lots on 06.01.2026, and raise deck permits to \$125.00 beginning July 1, 2026. Mr. Hendricks seconded the motion. Mr. Zeller asks for public comment. The board votes and the motion is unanimously passed.

Mr. Zeller heard the discussion between the overnight / Sunday active patrol and double parking and is going to break up the vote for that budget line item.

Mr. Zeller makes a motion to restore overnight and active Sunday patrol with a caveat that under no circumstances should that be on holidays (we will revisit and define what major holidays) other than what is dispatched. Mr. Hendricks seconded the motion. Mr. Zeller asks for public comment. The motion does not pass. Mr. Napoli and Ms. Gomez voted no.

Mr. Zeller makes a motion to enforce double parking instead of honking horns. Mr. Napoli seconded the motion. The motion was passed unanimously.

Mr. Haney presents a graph that represents the regional parking fine comparison from a 2021 study. There are two violations in which the Authority exceed the average. We are way behind the average on every other violation. The proposal for budgetary recommendations for ticket violations would bring us to the average compared to our regional neighbors of Reading, Lancaster, Easton, Bethlehem, and York.

Mr. Haney states that there's a balance between on-street pricing and deck pricing. On-street pricing should be higher to encourage deck parking which allows a better flow for on street parking.

Mr. Hendricks makes a motion to present to the City Council for consideration to raise the street meter to \$2.50 in the central business district and Mr. Zeller seconds that motion. Mr. Zeller asks for any public comment. The motion is approved unanimously.

Mr. Hendricks makes a motion to present to the City Council to raise ticket prices in accordance with the studies and the Authority's recommendations. Mr. Zeller seconds that motion. Mr. Zeller asks for any public comment. The motion is approved unanimously.

Mr. Haney intends to send all the data and studies presented in the meeting to the City Council for review. He states that the data shows the actions being taken and requested are going to put us in alignment with our regional neighbors and will bring synergy across the area. It is noted that we are not comparing our rates to larger cities like Philadelphia or Pittsburg.

EXECUTIVE SESSION

Coming out of executive session, Mr. Zeller states that we briefly talked about financing matters on one of our decks and no action is being taken.

This meeting was adjourned at 2:11 p.m.

The next Board Meeting will be on Wednesday, March 27, 2024
at The Offices of Allentown Parking Authority at 603 W Linden Street