

WEST WINDSOR PARKING AUTHORITY

Minutes of Meeting

November 11, 2020

The West Windsor Parking Authority meeting was held on Wednesday, November 11, 2020 at 6:00 p.m. via conference call. The dial-in details were posted on the WWPA website.

Sunshine Law Announcement

In compliance with the Sunshine Law, a notice of this meeting's date, time, location, and agenda was mailed to the news media, posted on the Township bulletin board, and filed with the Township Clerk.

Call to Order and Roll Call

Chair Lupo called the meeting to order at 6:00 p.m. The following individuals dialed in:

Commissioners

Andy Lupo, Chair
Tom Crane, Vice Chair
Dan Fabrizio, Treasurer
Michael Cerullo, Asst. Treasurer
Larry Katz, Secretary

Non-Commissioners

Scot MacPherson, Director of Operations
Lyle Girandola, Parking Consultant
James Colitsas, CPA, Princeton Financial Group, LLC
Frank Bal, Officer of West Windsor Police
Robert Schwartz, Attorney
Robert Korkuch, President, P.E., ACT Engineers Inc.
Sonia Gawas, Township Liaison
Ed McManimon, Bond Attorney

Comments from Audience

None present

ACTION ITEMS

Approval of Minutes (October 14, 2020)

Commissioner Crane moved to approve the October 14, 2020 minutes. Commissioner Cerullo seconded the motion. All Commissioners voted to approve the minutes.

Approval of Bills (October 2020)

Mr. MacPherson stated that there were two unexpected expenses that occurred in October. The first expense was for the repair on the Southbound side's staircase that was closed off to pedestrians after the first landing collapsed. Signorino Construction was paid \$15K for the concrete repair, and an additional \$24K will be due after completion next month. The second expense was for \$10K to repair the tunnel's sump pump.

Commissioner Fabrizio moved resolution 11.11.20-01 to approve the October bills. Commissioner Crane seconded the motion. The motion was unanimously approved.

REPORTS

Police

Officer Bal informed the Board on the police activity in September stating that there were 78 incidents.

Councilwoman Gawas inquired about the Farmers' Market's location during their extended operating dates. Chair Lupo responded that once their fall operating season ends, they will relocate to the Wallace lot to extend the open market throughout the winter, providing that the pandemic does not cause an earlier closing.

DISCUSSION ITEMS

Bond Refinancing

Mr. McManimon, WWPA's bond attorney, joined the meeting to discuss a bond refinancing opportunity due to the low market rates.

Mr. McManimon said that RBC Wealth Management (RBC) sent him an unsolicited financial analysis proposal to act as underwriters for WWPA. They explained that under the Local Finance Board rules, WWPA would be eligible to do a bond refunding without having to go to the Local Finance Board for approval since there is at least 3% savings for the Authority every year. This also eliminates a Finance Board fee ranging from \$20K-\$30K. The number indicated in the proposal from RBC is just a projection and cannot be actual until the bond is marketed. There is no obligation to use RBC, however, they took the initiative of sharing this information and preparing the analysis.

Mr. McManimon asked if the Authority had any revenue shortfalls and challenges paying for operating costs. Chair Lupo responded that WWPA is not experiencing any shortfalls since they were strategic in building their cash surplus over the years.

Mr. McManimon recommended that the Authority hire Phoenix Advisors, used by West Windsor Township and his firm, as the Authority's financial advisor. He stated that he would request a proposal from them to provide to the Authority before the next board meeting for their consideration. Phoenix Advisors currently acts as the Authority's dissemination agent for secondary market disclosure requirements on an annual basis. Their fees would be incorporated into their rate in the range of \$10K-\$15K and the annual dissemination agent fee is approximately \$1K. The advisors are knowledgeable with the market which enables them to negotiate the financing and underwriting to get the best proposal with the best interest rate. They would coordinate the official statement and work with WWPA on the presentation to send to the rating agencies.

Mr. McManimon said that because the current market is projected to continue having low interest fees on taxable bonds, he suggests that the Board authorize a supplemental bond resolution at next month's board meeting, as well as a resolution delegating a member or members from the Board permission sell bonds so that all Authority members do not have to meet to obtain approval, should the optimal time to sell their bonds occur during off-business hours. He explained that the Authority would need to authorize the issuance of the supplemental bonds that would be secured in the same fashion as the original bonds that are to be refunded. Based on the Township's and Authority's experience, these bonds are guaranteed an AAA credit rating to sell these bonds. It is a longer maturity, so rates would be higher. WWPA would be required to obtain a credit rating from either S&P or Moody's and an official statement that includes the demographics about the Authority and Township, as well as their financials. Bob Butvilla, Accountant from Suplee, Clooney & Company, will need to assist with the financial statements.

Chair Lupo agreed to pursue this investment opportunity and move forward knowing that there is no commitment until later on. The board members agreed. Chair Lupo will circulate the initial proposal from RBC for the board members to review. Mr. McManimon stated that he will provide the two resolutions needed for the next board meeting.

State of Good Repair Meeting

Mr. MacPherson said that he received a copy of the 761-page report from the State of Good Repair meeting that took place in April. State of Good Repair is a program offered by the Federal Transit Administration and overseen by NJ Transit that provides grants to finance capital projects to maintain public transportation systems in a state of good repair. That meeting included Mr. MacPherson and state inspectors who walked through the lots to evaluate the areas in need of repair and provide cost estimates. Mr. MacPherson met with the head of NJ stations and the project manager for the State of Good Repair program yesterday to walk-through and review the items listed in the report that need immediate repair. They informed Mr. MacPherson of a grant program that may be available to them which has already been partially used to repair the Atlantic City train station. It was determined that the lighting on the platform that is connected to the railings need immediate repair, which was already planned for repair before the pandemic. The report indicated the repair to cost approximately \$63K. Mr. MacPherson said that this cost did not cover other expenses involved in the repair. He showed and explained to the individuals in detail the repair requirements that included removing the lights and railings from the platform, precast concrete foundations, and replacing the chain link fencing along the platform with aesthetically pleasing and supportive fencing. The actual cost would be approximately \$2.5M, significantly higher than what the report suggests. The individuals agreed with Mr. MacPherson's evaluation. He and Mr. Korkuch will perform a walkthrough for ACT to prepare a drawing required for the project. Funding needs to be determined, and Mr. MacPherson will work on obtaining some of the grant funds. The goal would be to begin the project this winter.

Another item in need of repair, but not as critical, is to replace the roof, gutters, windows, doors, and floor in the station building. The report estimated this repair at approximately \$10K, however, other expenses required for this repair are not included such as a crane rental at a daily rate of approximately \$10K. NJ Transit will need to apply for the grant since the Authority does not own the asset.

Mr. Girandola stated that traditionally, the Authority would pay for NJ Transit's property repairs and then be reimbursed by NJ Transit at the end of the year, but due to COVID, the Authority no longer has funds available to lend NJ Transit. NJ Transit needs to provide the funds for the repairs made on their property, and the concern is that if NJ Transit does not have the funds available, serious deterioration could occur which could cause liabilities and negative press. Commissioner Katz stated that the Authority needs to have recorded that the Authority has done their due diligence in informing NJ Transit so that the Authority is not

held accountable. Mr. MacPherson stated that this was the reason for the State of Repairs report and will work with NJ Transit members.

2021 NJ Transit Budget & Breakeven

Mr. MacPherson stated that NJ Transit sent an email requesting to review the 2021 budget and to assume 15% occupancy which is the current situation. He replied asking what to include in the budget for permit revenue since renewals are closer to 65%, including the many individuals who have suspended their permits.

Mr. MacPherson stated that customers received two emails during the week notifying them of the Vaughn lot closure and the pay schedule for 2021 which prompted significant permit renewals. Since the outlook for retention is positive, the 2021 budget forecast for permit renewals will show a slight decrease from last year's budget renewals.

Mr. MacPherson stated that NJ Transit also requested a breakeven point of where funds are depleted. He will provide a drawing of the 75% of lots to close and other usual requested items by November 20th.

Snow Plan

Chair Lupo stated that there is \$160K in the budget for snow removal in November. Mr. MacPherson said that so far there is only one charge for salting the platforms on November 1st.

Mr. MacPherson stated that NJ Transit announced that they will no longer certify Woodwinds Associates, the platform's snow removal contractor, to act as flaggers on the platforms. Their new condition requires that a contractor notify NJ Transit's response center 6 hours prior to working on the platform so that NJ Transit has enough time to hire a flagger. If a flagger is needed longer than their 8-hour shift, the contractor will need to notify the response center 2 hours prior. All agree that this presents a huge risk of liability issues because if there is a snowstorm, Woodwinds cannot remove snow on the yellow line until a flagger is present. Chair Lupo requested that Messrs. MacPherson and Schwartz get something in writing to NJ Transit informing them of this liability risk and the added expense that this would incur.

Mr. MacPherson said that half of the Alexander and Station Drive lots will soon be closed off. The gravel lot and upper and lower Vaughn lots have been closed. Wallace permit and daily lots will remain open. That reduces snow removal cost by 65%.

DEP Update

Mr. Korkuch stated that the permits from DEP for the Wallace circle pond were received yesterday. The permit allows maintenance and repair on the pond’s drainage system, as well as to run the electrical lines to provide power. Work can begin once the funds become available.

Farmers’ Market

Mr. MacPherson stated that the Farmers’ Market will relocate at a lower capacity to the back corner of the Wallace permit lot in December.

Sidetraxx - New Lot Opportunity

Mr. Girandola stated that the owner of the private lot on Station Drive, Sidetraxx, received an offer to purchase the 25-vehicle lot and agreed to not accept the offer until after the Authority makes their decision on if they want to bid. The owner agreed.

Mr. MacPherson displayed a financial analysis of the lot that Messrs. Colitsas and Mosca created that shows a projection of what the value of the lot may be over the course of 10 years. Chair Fabrizio asked what the Township’s assessment of the property is. Councilwoman Gawas will request information from the Township. The Board had a lengthy discussion on the potential spaces that could be filled throughout the years and potential revenue, but because of the pandemic, it is difficult to predict. Mr. Girandola suggested that this topic reconvene during executive session and that the decision be presented to the owner whether it is to purchase, pass, or need more information from the owner. Board members agreed.

Mr. Korkuch suggested that the Authority get confirmation that the property is uncontaminated. Mr. Schwartz suggested that Mr. MacPherson conduct a title search which would provide the property’s history.

REPORTS (continued)

Accounting

Mr. Colitsas stated that most of the income and expense accounts are under the budgeted amount. It is expected that the actual expenses for 2020 will continue to be less than they were in 2019.

Mr. Colitsas stated that YTD permit parking has declined significantly, and daily parking has declined even more. For the month, daily parking is down by 89%. Shared expenses have been managed well with the exception of the contractual police expense which is significantly higher.

The board members reviewed the monthly cash flow for WWPA and NJ Transit. For West Windsor, the predicted loss from November through May will be \$233K, and the permit month of June projects an accumulated loss of approximately \$68K. For NJ Transit, the predicted loss from November through May will be \$540K and the cash balance drops to negative in the next month or two, assuming a certain amount of snowfall. NJ Transit's account will be negative in a couple of months by \$90K.

A lengthy discussion was had on how to manage the projected losses. Mr. MacPherson stated that he will discuss the issue during his monthly budget call with NJ Transit. He will also discuss the possibility of changing the lease agreement whereas NJ Transit is responsible for the snow removal on the platform but continues to maintain the platform. Mr. Colitsas stated that returning the snow removal responsibilities back to NJ Transit would allow the Authority to break even from now to May, turning positive in June. Mr. MacPherson stated that the amount paid for the one-time salting application on November 1st was \$3,632. Chair Lupo agreed that this would be the most ideal short-term solution, especially with the new condition that they implemented of no longer certifying Woodwinds Associates to act as flaggers on the platforms.

Mr. MacPherson stated that NJ Transit charges the Authority interest on invoices that are not paid after 90 days and will review the lease agreement to determine if the same applies vice versa. Chair Lupo and Messrs. Schwartz and MacPherson will coordinate a call during the week to thoroughly review the lease agreement for options on how to best handle the short-term challenges and to establish solutions. Mr. Girandola suggested documenting what they find and forward to NJ Transit for the record.

Councilwoman Gawas informed the board member that Mayor Marathe will be completing the Township's budget for 2021 within the next few weeks, so if anyone has any concerns, they should address them as soon as possible. Chair Lupo stated that he will reach out to Mayor Marathe to discuss the possibility of renegotiating the contract.

EXECUTIVE SESSION

Chair Lupo moved that board members enter executive session to discuss Sidetraxx. Commissioner Crane seconded the motion. Board members went into executive session at 8:55 p.m. At 9:34 p.m., Chair Lupo moved that board members come out of executive session. Commissioner Crane seconded the motion.

ADJOURNMENT

Chair Lupo moved to adjourn. There being no further business to discuss, the meeting was adjourned at 9:35 p.m.

Respectfully,

Elle Magarelli