

PARKING AUTHORITY OF THE CITY OF LANCASTER
MINUTES

For the Regular Board Meeting held

July 12, 2007

The Parking Authority of the City of Lancaster held its regularly scheduled meeting on Thursday, July 12, 2007 in the Authority Office at 111 North Prince Street, Lancaster, PA.

Members present were: Mark Vergenes, Chairman; Chip Kirchner, Vice-Chair; Dino Mandros, Treasurer;

Also present were: Thomas Matthews, Executive Director; Grant Hummer, ELA Group, Inc.; John Kenneff, Goodman & Kenneff; Mary Dougherty, Financial Manager.

Guests: Cathy Gray, Barley Snyder; Lou Verdelli, RBC and Michael Flaherty. RBC.

The Lancaster Parking Authority Board Meeting was called to order at 4:30 P.M. by Mr. Vergenes, Chairman.

The minutes from June 14, 2007 were approved without objection. Motion by Mr. Mandros and seconded by Mr. Kirchner.

Public Comments

- Gary Zepher who resides at 319 North Queen Street brought to the board his concerns over parking on Queen Street. For many years there was a small metered lot that patrons to the local stores could access for metered parking. Approximately two years ago at the request of some of the local business owners, LPA began leasing these spaces on a monthly basis; thus eliminating potential parking for local store patrons. Mr. Zepher also discussed the condition of the lot. Currently it is in need of resurfacing. He also stated he would be interested in purchasing the parking area from LPA.

Mr. Vergenes suggested to Mr. Zepher that he and Mr. Matthews should meet at a later date to discuss his proposal and concerns in greater detail.

Reports of Committees

Personnel, Wage & Salary Committee

- The Committee had no report.

Finance Committee

- The Committee had no report.

Marketing Committee

- The Committee had no report.

Facilities & Security Committee

- The committee had no report.

Executive Director's Report

- Mr. Matthews shared with the board a list of projects that would be addressed with any overages of monies from the new bond issue. These may include elevator replacement, Cherry Street improvements, design and construction of a cover over the opening on the Prince Street garage.
- Mr. Matthews also shared with the board a projected revenue and expense reports for LPA.
- Mr. Matthews discussed with the board issues LPA was having with Reynolds construction. They are currently not following the engineer's master drawings for the ramp removal and modifications at King Street garage. Mr. Matthews and Mr. Hummer will be addressing these problems.

Other Business Items

- Mr. Verdelli and Mr. Flaherty met with the board to explain the structure of the new debt for LPA. Currently LPA has two types of outstanding debt: Capital depreciation

bonds (these bonds do not pay interest, but are sold at a discount to the consumer) and a bank loan which refinances the 1993 bond. The current annual debt service payment is \$1,722,650, and increases in 2010 to \$1,745,000, and remains payable annually at this amount until 2016 at which time the current indenture will be paid in full.

- RBC is recommending the LPA Board to issue two series of bonds. The first would be a taxable serial bond in the amount of \$8,820,000, which would be used to defease the current 1992 bond and a portion of the 1993 outstanding bonds. These existing bonds are not callable; therefore money must be set aside in escrow (US government securities) until the bonds mature. The second type of bond recommended be issued would be tax-exempt serial bonds in the amount of \$19,035,000. A portion of this amount will be used to defease the remaining 1993 bond, refund the bank loan, as well as provide project funds for the new garage.

- RBC is further recommending LPA gross fund the new garage project. This essentially means the full amount of the project is being financed. By doing this, interest will be earned on the borrowed dollars that can be used for project overages, or other major maintenance projects of LPA.

- The new debt service payment amount varies by year with a maximum amount payable of \$1,915,000.

- By using this type of guaranteed revenue bond of borrowing/payment structure, it eliminates the current indenture.

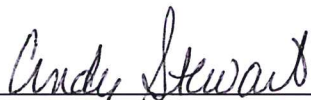
- Ms. Gray shared with the board a schedule for the new bond and indenture issue. Per this schedule, with no problems encountered, on September 25, 2007, all the old indentures will have been defeased, and LPA will receive all monies for the new garage.

- The board approved a reimbursement resolution declaring intent to reimburse project costs with proceeds of tax exempt bonds or notes. The motion to accept the resolution was made by Mr. Mandros, and seconded by Mr. Kirchner. All were in favor and the motion carried.

Miscellaneous Business

A motion to adjourn the Public Board meeting at 5:32 PM was made by Mr. Kirchner and seconded by Mr. Mandros and the motion carried.

Respectfully submitted,


Cindy Stewart, Secretary