

**MINUTES OF THE REGULAR MEETING OF THE PARKING AUTHORITY OF THE TOWN OF MORRISTOWN, HELD TUESDAY, MAY 13, 2014 AT THE OFFICES OF THE PARKING AUTHORITY, 14 MAPLE AVENUE, SUITE 101, MORRISTOWN, NEW JERSEY, AT 6:00 P.M. PREVAILING TIME**

The meeting was called to order by Vice-Chairperson Brady, who then announced that “Notice of this meeting was provided in accordance with a Resolution adopted by the Board of Commissioners of the Parking Authority of the Town of Morristown, New Jersey at the Reorganization Meeting on January 21, 2014, setting forth the time, date and location of each meeting. A copy of the Resolution was distributed to The Daily Record and The Star Ledger, filed with the Executive Director of the Parking Authority, posted on the Bulletin Board at the Parking Authority Office building and mailed to any person who has requested and prepaid the established fee for such mailing”.

Present: Commissioners Brady, Lucia and Tighe

Also Present: George Fiore, Executive Director, Patrick W. Geary, Operations Manager, Mark Axelrod, Assistant Director, Robert S. Goldsmith, Esq.

Absent: Chairperson Gervasio

Note: Commissioner Garibian tendered his resignation

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At this point, The Executive Director presented the Minutes of the April 8, 2014 regular meeting. On motion of Commissioner Lucia, seconded by Commissioner Brady, the Minutes were approved.

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At this point, The Executive Director presented the Minutes of the Executive Session of the April 8, 2014 regular meeting. On motion of Commissioner Lucia, seconded by Commissioner Brady, the Minutes were approved.

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There were no Public Comments.

There was no Mayor’s Report.

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The following communications were presented for the record:

Under date of April 9, 2014

To: Matthew Stechauner  
From: George Fiore, Executive Director

Correspondence enclosing a letter of resignation from Morristown Parking Authority Commissioner Christopher Leon Garibian. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the letter was accepted for file.

Under date of April 1, 2014

To: Robert Goldsmith  
From: Michael Mihalic

Letter stating that the Bureau of Traffic Engineering has completed its investigation of parking restrictions along Route US 202 (South Street) adjacent to The Green between North

Park and South Park Place to reveal the following: There are four painted metered parallel parking stalls along the subject section of the highway, integrated with fire hydrants, crosswalks and the Intersection of Route US 202 (Market Street) all of which are subject to statutory stopping-standing parking prohibitions. These parking prohibitions are neither defined by NJDOT policy nor established by Traffic Regulation Order. They are statutory parking (No Stopping Standing) locations that are required pursuant to the provisions of N.J.S.A. 39:4-138. As such NJDOT cannot permit or establish any additional parking in this area. On motion of Commissioner Lucia, seconded by Commissioner Brady, the letter was accepted for file.

Under date of April 1, 2014

To: Patrick Geary  
From: Kadie Dempsey

Correspondence regarding the space in the basement of 14 Maple Avenue. The Director of Morris Arts, Kadie Dempsey, advised that she helps facilitate art events and programs in many different forms and helps young art students to have success in their first attempts of showing their art work or curating a show. The correspondence encloses Grace Ann's proposal for her senior thesis art show for which she is donating any money raised to the Carol Simon Cancer Center in Morristown. Morris Arts will cover the event by providing insurance. On motion of Commissioner Lucia, seconded by Commissioner Brady, the letter was accepted for file.

Under date of April 2, 2014

To: Melissa Latella  
From: Stacey Dratch

Letter advising that in accordance with the Building B Parking Agreement between the Morristown Parking Authority and The Metropolitan at 40 Park, under Section 2, and with reservation of rights, the monthly parking space rate will increase from \$80 per space to \$90 per space effective May 1, 2014. On motion of Commissioner Lucia, seconded by Commissioner Brady, the letter was accepted for file.

Under date of April 5, 2014

To: 11 Cattano Avenue, LLC  
From: George Fiore, Executive Director

Letter enclosing Parking Authority Check No. 2448 in the amount of \$13,500 representing payment of parking income due January, February and March, 2014. On motion of Commissioner Lucia, seconded by Commissioner Brady, the letter was accepted for file.

Under date of April 9, 2014

To: Cynthia Evans  
From: George Fiore, Executive Director

Letter enclosing Morristown Parking Authority Check No. 2491 in the amount of \$8,848.13, representing reimbursement to The Geraldine R. Dodge Foundation for the sale of Solar Renewable Energy Credits. The payment is made by Knollwood Energy as the purchaser for the period 6/1/11-6/30/12 for the purchase price of \$165, 110 SRECS for a total amount of \$18,150. Therefore, half of the total is \$9,075 less 2.5% for the admin. fee of \$226.87, resulting in a payment reimbursement of \$8,848.13. On motion of Commissioner Tighe, seconded by Commissioner Lucia, the letter was accepted for file.

Under date of April 11, 2014

To: Hon. Timothy Dougherty, Mayor  
From: Robert Goldsmith

Letter providing information regarding the method by which it determines value for purposes of development projects on MPA property. The letter states that the first major ground lease project undertaken by the Parking Authority was the Chancery Square project which was the catalyst for much of the development in the last 20 years in Morristown. The Parking Authority in conjunction with the Town of Morristown agreed to an under market ground rent as an incentive for redevelopment of the project.

The letter further states that the Parking Authority looks to a respected appraiser to determine the fair market value for a proposed development site based on the highest and best use and that valuation includes adjustments based on parking, location and density of proposed projects. In the context of long term leases the parking Authority then consults with the same appraisers to determine a reasonable ground rental based on the appraisers recommendation of fair market value. The Parking Authority then takes into account the value of the proposed project to the Town, as with Chancery Square, and negotiates a fair rental that balances the Parking Authority's interest, the public's interest in parking and allows the project to proceed in the Town's interest. On motion of Commissioner Brady, seconded by Commissioner Lucia, the letter was accepted for file.

Under date of April 11, 2014

To: The Cedric Z. Shabsis Trust  
From: George Fiore, Executive Director

Letter serving as notice that MPA has renewed the lease with All Smiles Dentistry, LLC which will now be a sublease for a portion of 10 Pine Street which expires on or before May 31, 2019. The collateral assignment of the sublease from the Parking Authority to The Cedric Z. Shabsis Trust is attached. On motion of Commissioner Lucia, seconded by Commissioner Brady, the letter was accepted for file.

Under date of April 11, 2014

To: The Cedric Z. Shabsis Trust  
From: George Fiore, Executive Director

Letter serving as notice that MPA has renewed the lease which will now be a sublease with Literacy Volunteers of Morris County for a portion of 10 Pine Street which expires on or before May 31, 2019. The collateral assignment of the sublease from the Parking Authority to The Cedric Z. Shabsis Trust is attached. On motion of Commissioner Lucia, seconded by Commissioner Brady, the letter was accepted for file.

Under date of April 14, 2014

To: Christopher Walker  
From: George Fiore, Executive Director

Letter stating that the MPA Board of Commissioners requested Superintendent Walker to provide reimbursement of the County's share for the construction and reconfiguration of the Bank Street exit area. The letter further states that the work was extensive and improvements included creation of an additional exit lane and equipment island, ADA ramp, new ADA attendant booth, pay-on-foot station, and parking control equipment that MPA bears the full cost of. The letter confirms that MPA is responsible for 60% of the cost and the County is to pay 40%. Total project improvements, excluding paystation and parking control equipment, was \$20,344.00. Accordingly, the County's share is \$8,137.60. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the letter was accepted for file.

Under date of April 16, 2014

To: Robert Goldsmith  
From: George Fiore, Executive Director

Letter stating that auditors are conducting an audit of MPA financial statements as of December 31, 2013 for the year then ended and requesting Mr. Goldsmith to furnish them with the following information:

Pending or threatened litigation, claims and assessments (excluding unasserted claims and assessments) – items involving amounts exceeding \$32,000 individually or in the aggregate including the nature of the litigation, the progress of the case to date, MPA is responding or intends to respond to the litigation and an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Unasserted claims – MPA represented to its auditors that there are no unasserted possible claims or assessments that are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 at this time.

Response – The response should include matters that existed as of December 31, 2013, and during the period from that date to the effective date of the response.

On motion of Commissioner Tighe, seconded by Commissioner Lucia, the letter was accepted for file.

Under date of April 21, 2014

To: VM Associates, Inc.  
From: Greenbaum, Rowe, Smith & Davis, LLP

Letter regarding information in connection with the audit of the financial statements of MPA as of December 31, 2013, advising that since January 1, 2013 GRS has not been engaged to give substantive attention to, or represent MPA in connection with material loss contingencies existing on December 31, 2013 or at any time during the period from that date to April 17, 2014 except as follows:

Parking Authority of the Town of Morristown v. Speedwell, LLC – With respect to this matter, because GRS has not concluded that the likelihood of an unfavorable outcome is either “probable” or “remote”, as such terms are defined in the ABA Statement, GRS expresses no opinion as to the likely outcome of such matter.

Claims – GRS does not represent MPA in any matters asserted against it by various plaintiffs for alleged injuries on MPA property.

On motion of Commissioner Lucia, seconded by Commissioner Tighe, the letter was accepted for file.

Under date of April 14, 2014

To: David Brown  
From: Robert Goldsmith

Letter as the demand on behalf of MPA for the guaranty payment due for the period January 1, 2013 through December 31, 2013. The amount demanded is \$0, revenues exceeded expenses. The guaranty obligation is comprised of debt service and operations and maintenance. The debt service portion of the guaranty is 100 space - \$85,812, 150 space - \$128,718. The total amount due pursuant to the basic debt service calculation is \$85,812, the 100-space guaranty.

The formula for operations and maintenance is set forth at pages 35-36 of the Agreement of

August 5, 1997. The applicable sections establish the cost items from MPA's budget (items L1-L27) as the basis for the calculation, with administrative costs (items L1-L6) not to exceed 16% of gross operating costs. That figure is then multiplied by the contractually established allocation of 32.54% and then multiplied again by the ratio of 250 spaces over 700 spaces (35.71%). The Disallowed Operating Costs is then deducted from the Gross Operating Costs and results in the contractually permitted "Gross Operating Costs". The contractually permitted Gross Operating Costs is then multiplied by 11.62% ( $32.54 \times 35.71$ ) = \$43,052.80. \$43,052.80 constitutes the basic O&M element of the guaranty amount for the period January 1 through December 31, 2013.

The Guaranty Obligation is \$85,812 for Debt Service and \$47,358.61 for O&M, which equals \$133,170.61. Income was derived from Granite Morristown payment, Applied Ground Lease, Monthly & Daily Parkers, Washington Associates/ Cattano and Debit Cards totaling \$1,035,381.74.

Pursuant to Section 3(f) of the Agreement, payment is the lesser of the Guaranty Obligation or the Net Operating Loss. The Net Operating Loss, \$0, is less than the Guaranty Obligation and therefore MPA does not demand payment, as no payment is due. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the letter was accepted for file.

Under date of April 20, 2014

To: MPA  
From: Laurie Spiegel

Letter informing MPA of Ms. Spiegel's opinion that the new parking restrictions are ridiculous. Ms. Spiegel states that she does not know why residents need to have reserved spots in front of their houses and that she previously never found that there were no spots on McCullough and now it is empty. On motion of Commissioner Tighe, seconded by Commissioner Lucia, the letter was accepted for file.

Under date of April 30, 2014

To: VM Associates, Inc.  
From: George Fiore, Executive Director

Letter served in connection with MPA's audit of the financial statements of The Parking Authority of the Town of Morristown as of December 31, 2013, and for the fiscal year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of The Parking Authority of the Town of Morristown and the respective changes in financial position and, where applicable, thereof in conformity with U.S. generally accepted accounting principles. MPA confirms that its responsibility for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. MPA states it is also responsible for adopting sound accounting policies establishing and maintaining effective internal control over financial reporting, and prevent and detecting fraud. The letter confirms the representations made during the audit, as of April 30, 2014. On motion of Commissioner Tighe, seconded by Commissioner Lucia, the letter was accepted for file.

Under date of May 1, 2014

To: George Fiore, Executive Director  
From: Vincent Montanino

Letter enclosing 23 copies of Report on Examination of Financial Statements for the year ended December 31, 2013 and 3 copies of the Synopsis of Audit. The Executive Director noted that the Report is comprehensive, excellent guidance to the Administration and the Board of Commissioners. He also noted that Mr. Montanino and his staff spend days

preparing the audit and reviewing the books and documentation of the Parking Authority at the Parking Authority offices. The Commissioners concurred in the value of the audit and the quality of services provided by Mr. Montanino and his staff. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the letter was accepted for file.

Under date of May 1, 2014

To: Daily Record  
From: George Fiore, Executive Director

Correspondence attaching a copy of MPA's Summary of Synopsis of Audit Report for single publication under the Legal Notice section of the Daily Record on May 8, 2014. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the letter was accepted for file.

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At this point, under the Report portion of the meeting, the Executive Director presented to the Board the February 2014 Monthly Enforcement Report. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the February 2013/2014 Comparative Meter Revenue Report. On motion of Commissioner Tighe, seconded by Commissioner Lucia, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the February 2013/2014 Comparative Cash Revenue Report. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the February 2013/2014 Year-to-Date Revenue Summary. On motion of Commissioner Brady, seconded by Commissioner Tighe, the report was accepted for file.

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At this point, under the Report portion of the meeting, the Executive Director presented the March 2014 Monthly Enforcement Report. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the March 2013/2014 Comparative Meter Revenue Report. It is noted that the figure of \$4,978.14 is a deficit number, not a plus number. On motion of Commissioner Tighe, seconded by Commissioner Lucia, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the March 2013/2014 Comparative Cash Revenue Report. On motion of Commissioner Tighe, seconded by Commissioner Lucia, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the March 2013/2014 Year-to-Date Revenue Summary. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the March 2014 Employee Sick & Vacation Report. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the March 2014 MPA Vehicle Maintenance Report. On motion of Commissioner Lucia, seconded by Commissioner Tighe, the report was accepted for file.

At this point, under the Report portion of the meeting, the Executive Director presented the Parking Authority of the Town of Morristown – Report on Examination of Financial Statements Year Ended December 31, 2013. The Executive Director noted Mr. Montanino’s conclusion, in which the Executive Director concurs, that overall the financial condition of the Parking Authority is better this year than year 2012. Again, Mr. Montanino concluded that the Parking Authority has exceeded its minimum debt service coverage ratio, but the Executive Director also noted that there will be a need to raise rates and that is in process. On motion of Commissioner Tighe, seconded by Commissioner Lucia, the Report was approved on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe  
Nayes: None  
Absent: Chairperson Gervasio

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At this point, under the Old Business portion of the meeting, the Executive Director updated the Board of Commissioners on the status of the Financial Disclosure Statements. He noted that the filing deadline had been changed numerous times and directions had still not yet been finalized by the Department of Community Affairs.

At this point, under the Old Business portion of the meeting, the Executive Director advised the Board of Commissioners that the Parking Authority of the Town of Morristown Financial Security Protocol was nearly complete. He noted that it is comprehensive and will likely be presented to the Board of Commissioners for approval at the next meeting of the Parking Authority.

At this point, under the Old Business portion of the meeting, the Executive Director presented the Updated (3/2014) Guide to Residential Parking Zones and Map.

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At this point, under the New Business portion of the meeting, the Executive Director presented a revision to the Policy for Use of On-Street Parking Spaces in the Central Business District (Meter Card Rental) – Recommended Fee of \$10.00 per Day for Each Space. On motion of Commissioner Tighe, seconded by Commissioner Brady, effective June 1, 2014 the rate would be increased from \$7.00 to \$10.00 based on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe  
Nayes: None  
Absent: Chairperson Gervasio

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At this point, under the New Business portion of the meeting, the Executive Director recommended that the long term use of the 14 Maple Avenue Office Building Basement Space should be preserved for expansion of MPA space or the expansion of other tenant space to meet future needs. The Board concurred in this recommendation.

At this point, under the New Business portion of the meeting, the Executive Director apprised the Board on the Proposed Development of Mahyer Morristown, LLC for a Development Project (9 Prospect Street, Morristown), previously owned by Niko Margaronis. The Executive Director noted that at first Mr. Mahyer believed that he needed 12 additional parking spaces, but on review will require only 6 spaces for the Parking Authority and will have a proposal for 12 units with on-site parking as well.

At this point, under the New Business portion of the meeting, the Executive Director made a Recommendation to Authorize the Executive Director to sign MPA Checks for MPA Payroll;

State of NJ SHBP/SEHBP; Temporary Disability Benefits; Town of Morristown Property/SID Taxes; Pitney Bowes, Incorporated; Telephone and Utilities. The Executive Director noted that this would facilitate payments made, especially in view of the fact that the Parking Authority now has a significant number of months in which there is only one meeting. Mr. Goldsmith suggested that Mr. Fiore request a letter from Mr. Montanino for purposes of the record. The Board will await action pending receipt of a letter from Mr. Montanino.

At this point, under the New Business portion of the meeting, the Executive Director informed the Board of Commissioners on the 2014 On-Street Pavement Marking Program and advised the Board on the low bidders for certain pavement parking programs. The low bidder for the On-Street Pavement Marking Program was Straight Edge - \$12,050. The low bidder for Lot 8 offered a bid of \$1,050.00. The low bidder for Lots 13, 14, 6 and Vail Mansion offered a low bid of \$4,600.00.

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The following Resolutions were presented for the record:

Resolution No. 23-2014: (Confirming Review of Annual Audit Report for Fiscal Year Ended December 31, 2013). On motion of Commissioner Brady, seconded by Commissioner Lucia, the Resolution was adopted on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe  
Nays: None  
Absent: Chairperson Gervasio

Resolution No. 24-2014: (Authorizing Execution of an Extension of the HVAC Preventative Maintenance Services Agreement Between The Parking Authority of the Town of Morristown and Binsky and Snyder Service, LLC). On motion of Commissioner Lucia, seconded by Commissioner Tighe, the Resolution was adopted on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe  
Nays: None  
Absent: Chairperson Gervasio

Resolution No. 25-2014: (Resolution Authorizing the Purchase and Installation of an Emergency Elevator Fire System Control Panel System for the Dalton Parking Garage). On motion of Commissioner Lucia, seconded by Commissioner Tighe, the Resolution was adopted on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe  
Nays: None  
Absent: Chairperson Gervasio

Resolution No. 26-2014: (Appointing Parking Enforcement Officer of the Parking Authority of the Town of Morristown). On motion of Commissioner Lucia, seconded by Commissioner Tighe, the Resolution was adopted on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe  
Nays: None  
Absent: Chairperson Gervasio

Resolution No. 27-2014: (Operating Fund Bills). On motion of Commissioner Tighe, seconded by Commissioner Lucia, the Resolution was adopted on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe

Nayes: None  
Absent: Chairperson Gervasio

Resolution No. 28-2014: (Improvement Fund Bills). On motion of Commissioner Tighe, seconded by Commissioner Lucia, the Resolution was adopted on the following vote:

Ayes: Commissioners Brady, Lucia and Tighe  
Nayes: None  
Absent: Chairperson Gervasio

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\* At this point, Commissioner Lucia left the meeting.

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At this point, on motion of Commissioner Brady, seconded by Commissioner Tighe, the Board moved into Executive Session.

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At this point, on motion of Commissioner Brady, seconded by Commissioner Tighe, the Board of Commissioners authorized an additional \$300 in stipend payments with three additional individuals at \$100 each on the following vote:

Ayes: Commissioners Brady and Tighe  
Nayes: None  
Absent: Chairperson Gervasio and Commissioner Lucia

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There being no further business to be transacted, on motion of Commissioner Tighe, the meeting was held adjourned.

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George Fiore, Executive Director

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Anthony Lucia, Assistant Secretary/Treasurer

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Prepared By: Robert S. Goldsmith, Esq.