



## NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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### North Central Executive Committee Meeting Wednesday, August 28, 2019

#### Members

|                     |                   |
|---------------------|-------------------|
| Mark McCracken      | Clearfield County |
| Matthew Quesenberry | Elk County        |
| Jeffrey Pisarcik    | Jefferson County  |
| Carol Duffy         | McKean County     |
| Douglas Morley      | Potter County     |

#### Via Conference Call

|                   |               |
|-------------------|---------------|
| Susan Zook Wilson | McKean County |
|-------------------|---------------|

#### Guests

|                     |                |
|---------------------|----------------|
| Thomas Kronenwetter | DCED           |
| Brian Stockman      | Ridgway Record |

#### Staff

James Chorney  
Amy Kessler  
Cheryl DePanfilis  
Christine Perneski  
Katie Geci  
Edward Matts  
Jennifer Hibbard  
Mary Lou Jessop

Chair Quesenberry called the meeting to order at 9:35 with the pledge to the flag.

#### **QUORUM/INTRODUCTIONS**

There was a quorum for the meeting.

#### **MINUTES**

With no corrections or amendments to the July 24, 2019, Executive Committee Minutes, Doug Morley moved to accept the minutes as presented, seconded by Jeff Pisarcik. Motion unanimously passed.

#### **NEW BUSINESS**

##### Financial Reports

Jim introduced Katie Geci as the new Director of Finance. The process was done in-house and Katie was selected to fill the vacancy.

Regarding the Financial Reports, Jim stated as they are still working on some budgets, the only items included in the packet were the July Balance Report and Check Register. Next month the usual reports will be sent out.

Also if anyone has ideas or suggestions on how to make these Financial Reports easier to read and understand to please let Katie or Jim know.

Matt and Jim have talked about this and will continue to work on this. Again if anyone has any thoughts to let us know.

#### Audit/Finance Committee Report

North Central received two responses to the Audit RFP. One was from Zelenkofske Axelrod LLC and the other was from SB & Company, LLC. Going through the scoring process both firms were scored the same. The deciding factor was the cost for the three year period. Due to that, the Audit/Finance Committee recommended going with SB & Company, LLC, who is our current auditor.

Carol Dully moved to accept the recommendation of the Audit/Finance Committee to award SB & Company the contract for a three-year period, seconded by Mark McCracken. Motion unanimously passed.

SB & Company's cost for the three-year period is \$52,500, approximately \$13,000 less than Zelenkofske Axelrod.

#### A95s

Two A95s were presented for review. A95 2747 - 2016 Elk County Community Development Block Grant is for Slum and Blight Remediation in Johnsonburg, Elk County. A95 2748 – USDA Rural Development is for targeted Distribution Improvements in Brockway Borough and Snyder Township in Jefferson County and Horton Township in Elk County.

Jeff Pisarcik acknowledged receipt of the A95s as presented, seconded by Mark McCracken.

#### Correspondence

There was one piece of Correspondence and that was a letter to Jeremy Morey, McKean County Planning Director, stating North Central supports the Smethport DCED Multi-modal Transportation Funding application.

This is for information only.

#### Purchases

There were no Purchases for the month.

### Resolutions

There were no Resolutions for the month.

### Loans

There were no Loans for the month

Jenn did update the Committee on some events. Two loans were closed, one was for Phoenix Sintered Metals in Jefferson County and the other was AE Resources, Lewis Run, McKean County. There are four pending loan commitments that we will be closing something within the next six months. We have a little over \$800,000 in outstanding commitments.

Regarding the foreclosing on a default loan which was discussed several months ago, Jenn was happy to announce that at the 11<sup>th</sup> hour, full payment was made on the loan, thus averting the foreclosing on personal property.

Jenn also stated we were eligible to receive interest sharing on our PIDA loans for last Fiscal Year. On any loans we close after July 2015 to present, and we had four PIDA loans closed in that period. What PIDA does is score us on the underrating of applications that they receive from us; and we are also scored on our Portfolio Management Reports on our delinquencies that are submitted every quarter. Out of a possible 50 points on each of those reports and the applications we receive, we had 50 points on each which we were eligible for full interest sharing. We received a check for \$6, 718.46; so we are able to put back into the program to be used at our discretion.

### Broadband

Ed announced we received the EDA grant for \$99,500 for the Vertical Asset and Broadband Study we are going to do over the next two years. We will be putting that together and start collecting data, probably from the county planners at first to see what information they have, then start working through the FCC database. Ed heard back from the Farm Bureau who is interested in being part of that to identify farms that don't have Broadband. As well we can have them collect all the silos that are out there which will make the process much easier. This will be on an interactive map when we are ready to go.

We are still working on projects in Clearfield; and we finally acquired a lift for the Ormsby project for Friday. We are moving on with other things.

Jim stated that one important thing regarding the Broadband EDA grant we received is we have funding in there for a new position to do a lot of the work involved with that. We put a job profile together, scored it and are getting ready to advertise for that position.

One of the things we have talked about in the past is involving the local school districts so this person will be responsible for interacting with all the school districts, coordinating all the information that is

going to be transferred back and forth between us and them. This person will also be doing physical work.

Ed stated we have to have this started in about a month. Now that school is back in session, Ed will be going out to meet with some of the Superintendents to find out what we can ask and what we can't ask when we have the students collecting the data for us.

Amy said some of the FCC data can be pulled by existing staff right now until the gap is closed between hiring and schools.

When this project is finished we will be able to identify where the gaps are and that is where we can start targeting if we apply for Power Grants and other things. Those are real specific. They have to have no coverage and there are specific questions that need to be asked. Hopefully this will give us where those gaps in the various areas.

When asked if Ed sees the stumbling block to be in the ISPs to find providers once these gaps are identified. Ed replied that unfortunately in our area we don't have a lot of independent ISPs anymore. He knows of a few so either we will have to do it or hopefully get some entrepreneurs who want to start a business to come in and do that for us. Hopefully Zito may pick up and take off with some of them. We will try to work with them. We will work with the incumbents; but is not easy to work with the Verizons, Comcasts, Windstreams, Atlantic Broadband, etc.

There are still a lot of ISPs out there, but not around here. Everyone got out of the business because it's hard to make money being an ISP as your expenses on the back side are pretty high; so you have to have quite a few clients just to break even.

We are moving so quickly in that direction where everything from agriculture to education to health care is relying on broadband. It is vital now and not necessarily optional any longer.

Ed stated that hopefully we will start seeing smart farms pop up where they have a lot of the automated equipment for watering, spraying and soil testing where you don't have to manually do it. There will be sensors in the fields, cameras in the barns where the farmer doesn't need to be there 24/7. They will be able to keep tabs on the farm from anywhere. There is a lot of technology out there.

In working with the schools for collecting data it will actually be available for anyone to do it. We will probably put it out in some sort of notice that people can go and fill out the form. It will all be online and will be automated. They will fill out the form and do a screen capture of the speed test and send it in.

Doug asked if anyone has figured out who has the best speed test. Ed replied it is up for debate. We just have to pick one and use that one for all of our tests.

Ed testified at a Senate Hearing in Indiana, PA, to discuss improving access to high-speed Broadband Internet on August 7.

## DISCUSSION

Regarding the Mid-month Report which was sent out highlighting events that happened, we are looking for any feedback to see if this is what you are looking for.

Doug Morley asked Chris a question on the Engage! program. He wanted to know what was applied for and what did we receive for dollars.

Chris said we received \$129,000 out of the \$275,000 we applied for. We received about what we received last year. The request was more than the pot of money they had. There is going to be money returned from this year for based on performance through September – October of this year, there will be a chance to go after addition funds.

The contracts are in place with the exception of Clarion University. All our partners, including the Potter County Education Council, have taken the training and are ready to do interviews. The Potter County Education Council is taking the lead and Alesha from Clarion is up there working with them. If there are interviews done, they defer initially to Potter County Education Council.

Clarion is doing somewhat regional with a focus on Elk and McKean Counties at this time. There are joint visits planned with the SBDC, Sherri Geary, Kate Kennedy, and Deb Delhunty, from our staff, on August 29 and September 5.

There are a limited number of surveys each partner can do and they seem to be working together. Penn State LaunchBox had asked for money and the request from Potter County was somewhat high so we looked at a formula based on businesses and population and did our first allocation that way. The next allocation will be based on performance and/or individuals wanting to take on more interviews.

We will continue to put the mid-month report out two weeks after the Executive Committee meeting, and two weeks prior to the next meeting. As far as Matt is concerned, it is doing what he hoped to see so we will continue to see if this is something useful for the Committee. If you like it we will continue and if you don't we will discontinue doing it.

One of the items in the report was the event held on Monday, August 26, with Congressmen Glenn "GT" Thompson. It was a very successful event. Close to 50 people were in attendance. The speakers included Tim Thomas, Federal Co-Chair of the Appalachian Regional Commission (ARC), which is a primary funding source of ours and they put a lot of money into the region. The other speakers were from the USDA and SBA talking about their programs. We have received some very positive feedback from those in attendance.

On the table was a copy of our 2018-2019 Impact Report. We started doing this last year to give everyone a perspective as to what is happening with North Central and the effects we have on the region, along with what is happening in each individual county. This information is basically a culmination of all of the information we have on our Impact Site condensed into one sheet. The Impact site itself, which was on our website and password protected, when we get done doing some tweaks to it we will be putting it back on the website but unprotected as far as password so you will be able to go

in at any point and view that information. If you have any questions, even in navigating through it, please give us a call. We will put it in one of the mid-month reports when the site is up and functional.

Regarding Strategy Solutions, bi-weekly phone calls with Matt Quesenberry, Deb and Jay from Strategy Solutions, and Jim, continue. They are doing stakeholder outreach right now so if they haven't contacted you and talked to you yet, they will be in the very near future.

The one big thing they are planning is for the upcoming Full Board meeting in October when they will be doing this as their retreat. They want to get input from as many people as possible and they have to have a good conversation at that meeting. Prior to that meeting Jim will be reaching out to all our Full Board members to stress the importance of them being in attendance at that meeting. We want to have everyone's input as to the direction of the organization, making sure we are doing things as expected, and if there are things we can do to freshen things up and make it more productive and dynamic, we want input.

Matt said we are looking at the overall operations at a macro level but are also taking a look just to see how these boards are functioning. We are reviewing the By-laws, looking at things to determine whether or not this kind of approach, even monthly meetings, or any detail not too big or too small, is working. Matt is concerned we fall into habits where we just continue to do what we have always done because that is all we have ever known. What Strategy Solutions has helped us do is step back and really ask those questions about what we have in place and is it working?

We ebb and flow with our attendance at these meetings and are there things we can be doing differently? Connections between the Full Board and the Executive Committee, are those two as close as they should be? Are we disenfranchising anyone on the Full Board because things that are happening here may not be getting there? We are taking the steps necessary to take a look and ask some questions about how we operate as a Board and as a Committee.

To this point Matt has been pleased in what he has heard back from Deb and Jay. They seem capable so Matt's hopeful we will have a good outcome when this is finished. As we know about half of our board is going to be new in January so this could be a good opportunity to say we have a good thing going but we can make it better.

If you have any individual questions, please reach out to either Matt or Jim.

Jim added that one of the things being talked about is what the roles of the Board vs. the Executive Director should be and making sure that if there is an activity or something that the Executive Director is doing that the Board understands it, whether at that given point it is Jim coming to you and presenting something or if it is done through another way. For example Jim used the budgeting process, making sure you understand that when you approve the budget this is the ramifications of that, like the Performance Appraisals as an example. If you approve the budget you are approving the Performance Appraisals so then later on when we actually do the Performance Appraisals, Jim doesn't have to come back to the Board and say we are doing them. As a Board you need to understand when you approve the budget that is what you are approving. It is just getting those roles straightened out and everyone understanding what the roles and responsibilities of the Board and Executive Director are for each.

Matt thanked Tom Kronenwetter for being at the meeting.

Tom said there are some good things in the area. In Jefferson County, Brookville and Punxsutawney will be entering into the new Strategic Planning Program. In Clearfield County, Decatur and Sandy Townships are close to going in. In Elk County, Johnsonburg and Ridgway are both entering in as well. This will give them a firm base going forward for the next five-year plan and it comes with some grant money for some things they can do. It won't building roads or bridges; but it will give them some things they need to do. That is going forward right now.

Regarding the Commissioners, Tom said they are also doing counties now and can help you with your Strategic Plans. We can actually help with a 10 year plan and can come in and talk about the Strategic Plan they have for the State that works for townships and towns. Out of that process he's sure if you enter into it will show you need a 10 year plan and most counties don't do that. There is grant money available to help you out.

Don't hesitate to contact Tom if you want to start moving forward on this.

Carol asked Jim if there has been any feedback on the LDDs Strategic Plan.

Jim stated the feedback has been very positive in regards to the report. It is completed and if you would like to have a copy Jim can provide that to you. They are starting to implement some of the strategies they have. They just did a meeting in Cook Forest last month. One of the recommendations was to have, instead of just having the Directors meet, bringing in staff and picking a topic and the topic for that meeting happened to be Broadband because it is a very hot topic right now. Each of the agencies brought in an individual, presumably from their IT Department, and had conversations in regards to what was working. Ed was one of the primary speakers, gave a tour of some of the things we have there, talked a little about how we do it and some of the solutions that we have for the state because potentially each of the LDDs could be doing something similar to us as far as providing service.

We have talked about that we have that there is money from the State that we are doing five pilot projects. The other half of that is some of them are giving low-interest loans to ISPs to entice them to come in to an unserved or underserved area to provide service. We are not sure how that is going to turn out, but that was a conversation we had at that meeting. We are looking at doing an annual summit and some of the strategies as far as identifying specific projects like Broadband or other unique things that areas do. We are discussing and seeing if there is any way we can collaborate with those areas to utilize the talents of someone like Ed across the State. We are starting to do some of those things and it was received very well from the State and we presented it to ARC and they were very positive with the plan itself as well.

Tom Kronenwetter stated he visited the LaunchBox in DuBois yesterday. They are going to have a soft opening around November for dignitaries and public service people. It blew him away. It is going to be a real benefit to our area. He has toured the LaunchBox in State College with Governor Wolf but says the one in DuBois is state-of-the-art. The one in State College is just for entrepreneurship. In DuBois they cover everything from making jewelry to pizza shops to some sort of new way doing metal coating. What separates them is they have a separate engineering and technology part. They purchased the old

First Commonwealth Bank building. That is where their offices are going to be. Ben Franklin is going to establish an office in that building. The side that blew Tom away was they actually have robotic presses for the Technology Department geared to our area. This will be the Engineering section of the Penn State/DuBois Campus. A group of businessmen have actually rented an area in that building, keeping it open so they can have forums to go in and talk to people that want to do this. It is a real positive thing for this area.

Amy reported we did get our Financial Guidance numbers for the TIP. For the Commissioners, we will be meeting with your county planners probably late September, early October to go through what's obligated and coming off our program and what new priorities they may have or what they may help us cut, depending on advancing existing phases. It is about a \$12 million a year hit to the region. Most of that is due to Federal Performance that requires more money to go to the Interstates. Instead of \$400 million, they need to be up to \$1.2 billion. So the Feds are adding another \$150 million a year for the next several years to try to get us to that trend line. The ramifications of PennDOT not doing that is higher match for other projects and/or ineligible expenses on others. It rolls downhill we'll go to 219, Route 6 next and the three and four digit State Routes (SRs) are going to be kind of low ball. We have already seen some of that with tarring and chipping on Route 6 and lowest life cycle cost to maintain projects.

We are kind of forced into this but it is going to have impacts and we are not comfortable yet regarding existing projects, whether we can carry everything and advance it. We are hopeful and are trying to get a lot of things off before the end of August which is just a couple days from now. Anything that we can't, we are going to have to carry over which is probably going to impact our willing to add anything new.

Maintenance dollars are missing and that's the county maintenances offices. They are not doing any paving, most of their money is going to the State Police and other things. And it's these county maintenance offices who do the three and four digit SRs.

This is more of a heads up and it is not going to be pretty. We will be working with your counties to try to prioritize either new or what we are cutting.

Regarding the Act 89 toll money the Turnpike gets, that is going to law suits with trucking companies. That is going to be appealed so there is a cliff coming and it is what do we do? We ran the numbers that we could take 100% of the Federal money and put on the Interstate and still not meet their Performance Measure that is required.

They are taking that money away and our hope is that we will get projects on our Interstate which primarily is Clearfield and Jefferson Counties to recoup some of that \$12 million a year. Amy knows the projects that the Secretary was looking at are the two big 1,000 foot bridges at Brookville. They are estimated at over \$500 million, so in perspective you lose \$45 million over four years; but if you get \$500 million, you actually win because those are projects we would never get to. And especially the East bound lane where all the accidents are happening. They are hoping to push the bridge closer to the other bridge. The problem is the water treatment plant on the other side and the park that is right below it. With that they don't know how much they can shift. We have had PennDOT CONNECTS meetings with them and the Borough was part of that meeting so we will see where that goes. We are



getting to a cliff when it comes to funding Transportation and Amy's not sure when the conversation is going to shift to when we are going to do something major. As long as we continue to manage the decline, you are going to see in our area some roads going back to dirt, bridges closed, state bridges closed; and we have to manage that expectation as best as possible. That is the conversation we are trying to have but it is a much, much bigger conversation when it comes to resources.

When you start hearing people saying we're not doing anything, you have a perspective now of why. Act 89 only provided \$2.4 billion in five years and it needed to be almost \$8 billion so everything is coming to that.

Amy said the three and four digit SRs aren't even in the conversation and we are tarring and chipping Route 6 if that tells you anything.

This is just so you are aware of what is happening.

The next North Central Executive Committee Meeting will be held on Wednesday, September 25, at 9:30 AM in the Teleconference Room.

**ADJOURN**

With no additional items to be discussed, Chair Quesenberry called for a motion to adjourn. Doug Morley moved to adjourn the meeting, seconded by Jeff Pisarcik. The meeting adjourned at 10:20 AM.

Respectfully submitted,

Daniel Freeburg  
Secretary/Treasurer