



## NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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### North Central Executive Committee Meeting Wednesday, December 18, 2019

#### Members

Mark McCracken	Clearfield County
Matthew Quesenberry	Elk County
Daniel Freeburg	Elk County
Jeffrey Pisarcik	Jefferson County
James Sleigh	Jefferson County
Susan Zook Wilson	McKean County
Douglas Morley	Potter County

#### Staff

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

#### Via Conference Call

Carol Duffy	McKean County
Tom Kreiner	McKean County

#### Guests

Debra Thompson	Strategy Solutions
Jay Breneman	Strategy Solutions
Thomas Beveridge	Solicitor
Jack Matson	Jefferson County Commissioner
Ann Losey	Cameron County Commissioner Elect
David Glass	Clearfield County Commissioner Elect
Joe Dagher	Elk County Commissioner Elect

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

#### **QUORUM/INTRODUCTIONS**

With guests present introductions were made. There was a quorum for the meeting.

#### **MINUTES**

With no corrections or amendments to the October 23, 2019, Executive Committee Minutes, Jeff Pisarcik moved to accept the minutes as presented, seconded by Doug Morley. Motion unanimously passed.

Jack Matson asked since there were others present besides the Executive Committee, he wanted to know who were the voting members.

Jim Chorney stated that one County Commissioner and an Industry Representative from each county are the voting members of the Executive Committee. And a quorum consists of four County Commissioners and four Industry Reps at each meeting.

The breakdown by county is:

Cameron County	1 Commissioner and one Industry Representative
Clearfield County	1 Commissioner and NO Industry Representative
Elk County	1 Commissioner, NO Industry Representative and one Secretary/Treasurer
Jefferson County	1 Commissioner and one Industry Representative
McKean County	1 Commissioner and one Industry Representative
Potter County	1 Commissioner and NO Industry Representative

## **NEW BUSINESS**

### Financial Reports

Jeff had a question on the financial reports asking why Maintenance was over budget. He thought perhaps it had to do with Keystone Rural Health, to which Jim stated all construction done to that part of the building was paid for by Keystone Rural Health.

With no further comments or questions on the October and November Financial Reports, Doug Morley moved to accept the Financial Reports as presented, seconded by Mark McCracken. Motion unanimously passed.

### A95s

There were no A95s for the month.

### Appointment of the Nominating Committee

Typically at this meeting the Chairman asks for volunteers for the Nominating Committee to put together the slate of officers for the next year. However, under the new structure from the Governance Committee, they would be the ones to nominate the new slate of officers.

For the purposes of the discussion, Matt would like to think that we can go ahead and let the Governance Committee handle the responsibility of knowing by the January 22 meeting who those people are from the counties in the respective officer positions.

Jack Matson stated that they have talked about the slate of officers; however, they weren't sure about the position of the Treasurer and thought it was too much to put on the Governance Committee to decide who the Treasurer should be.

When asked who is on the Governance Committee, it is currently made up of Commissioner Jack Matson, Commissioner Matt Quesenberry as the Chairman, Matt Marusiak, Deborah Pontzer, Jill Martin-Rend and Jim Chorney with Deb Thompson and Jay Breneman from Strategy Solutions providing technical assistance. However, anyone can join this Committee.

### Resolutions

There were no Resolutions for the month.

### Correspondence

There was no Correspondence for the month.

### Purchases

There were no Purchases for the month.

### Broadband

Regarding Broadband we are in the process of applying for an ARC Grant. We are looking at doing two projects in our six counties. We are partnering with the Northwest Commission to do a couple projects in their region as well. Right now we are looking at one in southern Clearfield County around Mahaffey. It's a very rural area. We are working with McKean County to identify one in McKean County. We have a couple projects that they are proposing and hope to get them speeded out and get them on board to get this grant. The ones in Northwest are one south of Erie and one in Venango and they are very rural areas as well.

Regarding the project in Cloe, the tower work is done and we have a few customers on board with that. Ed has received several testimonial letters from people that are on board and how happy they are with the service and how they have actually been able to save money.

Ed ordered the equipment for Cook Forest to try to get through the trees. There is new technology that supposedly can get through and we are going to try to get through a quarter mile of trees to service some businesses in the Cook Forest area.

The Miola project in Clarion County, which is part of the Northwest Commission's area, is speeded out and ready to go.

This might all sound familiar when Ed talks about ARC. There are two pots of funds and the one we have access to right now is strictly State funds. We are using those to leverage and put the application in for the ARC funds. The two kind of go hand-in-hand. They are pilot projects that will hopefully allow us to prove what we already know to the people in Harrisburg that what we do works and that it is worth investing in. Hopefully that will lead to more money in the future; and one of the things we have discussed as a group is eventually forming a Broadband Committee to start addressing some of these projects.

### Loans

Jennifer reported on two loans that were approved at the Loan Review Committee meeting on Monday, December 16.

Clearfield Metal Technologies, Inc., Clearfield, Clearfield County, has requested a loan in the amount of \$200,000 from the Economic Development Administration Revolving Loan Fund for 7 years at the rate of 2.75%. North Central's collateral will be shared second lien security interest with Clearfield County IDA on new and existing equipment subject to first lien security interest of CNB Bank, as well as the personal guarantees of the three majority shareholders. Fifty-seven jobs will be retained and three new jobs will be created within the next three years. The projected annual average hourly rate will be \$15.00/hour plus 20% benefits.

Mark McCracken moved to approve the loan to Clearfield Metal Technologies, Inc., seconded by Jeff Pisarcik. Motion unanimously passed.

Allegheny Store Fixtures, Bradford, McKean County, has requested loans in the amount of \$23,000 from the Economic Development Administration Revolving Loan Fund for 4 years at the rate of 2.75% and \$23,000 from PIDA for 4 years at the rate of 2.75%. North Central's collateral will be first lien security interest on new equipment, as well as the personal guarantees of the two majority shareholders. Twenty jobs will be retained and five new jobs will be created within the next three years. The projected annual average hourly rate will be \$15.30/hour plus 20% benefits.

Doug Morley moved to approve the loan to Allegheny Store Fixtures, seconded by Carol Duffy. Motion unanimously passed.

Jenn also said that Mark Breakey submitted his resignation from the Loan Review Committee as of December 31, 2019, as he is retiring from CNB Bank. Mark has served on the Loan Review Committee since May 1992. CNB has recommended that Joe Haines be appointed as the representative for CNB Bank on the Loan Committee.

Also, Election of Officers will be held at the January Loan Review Committee meeting.

Chairman Quesenberry called for an Executive Session regarding legal actions.

Mark McCracken moved to go into Executive Session at 10:00 AM, seconded by Jeff Pisarcik.

The regular meeting resumed at 10:15 AM.

Following the Executive Session we have an action recommendation from the Loan Review Committee on proceeding with foreclosure on a delinquent loan in Clearfield County.

Jenn stated we feel this is the only recourse we have for collection.

Matt added that all other options have been exhausted and we have been left with nothing. This is a last recourse to try to recoup something from the loans that has been left outstanding.

Dan Freeburg moved to the motion, adding that Tom Beveridge would work with the principal solicitor working with the bankruptcies from Erie, Gary Skeba, seconded by Mark McCracken. Motion unanimously passed.

## **DISCUSSION**

Deb Thompson from Strategy Solutions brought the Committee up to date on what has transpired and what we are going to be doing moving forward.

Regarding Strategic Plan Goals and Objectives, Deb said we need to have a Regional Vision – North Central Pennsylvania is a vibrant economic region with healthy and sustainable communities.

Mission – We stimulate regional economic growth through collaborations, partnerships and infrastructure investment.

Vision – North Central is the recognized leader in driving positive change in the region’s community and economic development success.

These changes were recommended at the October Retreat. If agreed, these will be voted on at the January Board meeting.

One of the main issues being discussed is changing the current board structure. The proposed structure would be the Board of Directors at the head with Board Chairman reporting to the Directors as it has always been. The change would be having five Committees reporting to the Board. Those Committees would be Executive Committee, Governance Committee, Audit & Finance, Program (CEDS) Committee and RPO Transportation Committee. The Loan Committee would be under the Audit & Finance Committee and this would require giving the Audit & Finance Committee the power to approve loans.

The proposed Board composition would be three members from each county appointed by the County Commissioners, plus three At-Large members elected by the Board for a total of 21 seats.

The Board Member terms would go to three years, as well one of the At-Large member’s term will stagger each year.

Regarding Vacancies, the Board will continue to be allowed to fill vacancies that aren’t appointed by the member county and do this using the Governance Committee.

The Quorum requirement will be simple majority of the board with the stipulation that there is last least one representative from each county in attendance. The current By-laws state that a quorum is four County Commissioners and four Industry Representatives. It was mentioned that counties have problems finding people in that sector who are willing and able to service on the Board.

Matt stated that the Executive Committee meets on a monthly basis and with the quarterly meetings the Full Board there is the unique situation wherein the Executive Committee would meet at 9:30 and the Full Board meeting at 11:00. When the Full Board members would come in all the work had been done and the Full Board just rubber stamped what had been done. What finally exposed this is members of the Full Board stepped up and questioned why are they attending these meetings when the work has already been done.

Then some of the Executive Committee members would leave prior to the Full Board meeting and this further sent the message to the Full Board members that they had no purpose. Then one wonders why it’s hard to recruit private sector people to be on the Board.

The Executive Committee would be the officers plus the committee chairs along with the immediate past chairman (without a vote); quorum would be simple majority. Officers are the County Commissioners and the Committee Chairs can be other non-commissioner board members.

There are several things the Governance Committee wants this group and the Board to talk about and one of them relates to meeting frequency. Up until now the Executive Committee has been meeting month and pretty much making all the decisions on behalf of the Board.

How should the Board meet? Should they meet quarterly or possibly six times a year, at least for the first year as a transition year because it is being recommended to eliminate the monthly Executive Committee meetings? At the end of the year it could be reviewed and see if the Board would only have to meet four times a year.

Mark asked if having the Full Board meet six times a year will they be making the day-to-day decisions that the Executive Committee has been making on a monthly basis? Mark wanted to know with the people on the Full Board, are they engaged and involved enough to make the big decisions the Executive Committee would usually make?

If the recommendations are accepted, there will be less people on the Full Board than there are today. The hope would be that there would be an orientation process so they are up to speed with what those things are and a commitment to be engaged around them.

The Governance Committee was split regarding if the Treasurer should be a County Commissioner because of the need to have an individual in that role who has Financial Management expertise. Also the Treasurer would be Chair of the Audit & Finance Committee. At the present time the position is held by an Elk County Commissioner but in the past it has been an Elk County person because of the close proximity.

Regarding the signing of checks, we have two in-house signatories and the Treasurer is only required to sign when Amy or Jim aren't available. When the Treasurer is not involved in the signatures, he does receive a copy of the check register and approves that.

Dave Glass asked what the responsibilities of the Treasurer are and wouldn't it be too much to have that person as Chair of the A&F Committee?

Katie clarified the actual duties of the Treasurer for the NC Board of Directors. The Treasurer will not be keeping the check book and making sure that everything balances and reconciling the accounts. That is all done in the Account Department. The Accounting Department handles all the finances, prepares all the financial statements and prepares Accounts Payables and Accounts Receivables. Jim and Amy are the primary signatories and if they are not here for a week and we need to get checks out, we then rely on the Treasurer as our backup person to sign checks. There are weeks or even months that go by where the Treasurer isn't required to sign. We always send a Check Register to the Treasurer so they can review; and we don't expect the Treasurer to go through every detail. This Check Register is approved by the Treasurer and is filed with the entire set of documents for the auditors. And the auditors do catch if a Check Register hasn't been approved.

Carol asked if there is going to be an issue with the segregation of duties if we have one individual performing so many roles.

Deb replied that since the auditors have not forced North Central to have a separate independent Audit Committee up until now, they're not going to have an opinion on that now.

Jim added that they don't have direct control over any of the accounts. All our accounts require two signatures and there are no administrative rights given to this individual. In the Accounting System with the ability to be able to create or generate some sort of check document, he thinks we would be okay because when he signed checks as the Financial Director one of the things we had to do was go into the Accounting System and take all his rights away for his ability to be able to write checks. There was still the influence issue that you had to worry about. However we were able to navigate that with the auditors to make them feel comfortable. Anyone who handles money in this organization is required to take five consecutive days off as well.

In response to a question regarding how often the Audit and Finance Committee would meet and who would be on it, Jim said it would have to be restructured because every year we took nominations to be on it and their function was really to be the liaison with the auditors. With restructuring we would have to determine how many members would be on it.

Jenn was concerned about how often they would meet because of the loans. Jim said they would meet quarterly unless otherwise needed in case of a loan and documents are needed.

The Loan Committee would still meet and approve all the loans as they do now; and the Audit and Finance Committee would approve the loans as presented by the Loan Review Committee.

The proposal is on the table for the timeline of decisions related to these things. Even though the Governance Committee recommended trying to get these decisions made by this Board, the difficulty with the quorum requirement is going to make it challenging for that to happen. This Board does not have enough members to do that.

A recommendation was made to have a special Board meeting to talk about these recommendations, if you feel they need to be talked about more. Concern was raised by a few people that maybe we are rushing through things to try to make things happen. We want to make sure there is enough vetting and due diligence on these things.

We would hope that those of you who are new Commissioners, who are figuring out who the appointments are going to be, could figure that out sometime between now and January 7 to give staff time to let people know about the January 22 meeting. You are going to need to appoint at least enough Board members to have a quorum at the January 22 meeting to recommend approval of the strategic plan and the restructuring recommendations if you think they are worth approving. The Governance Committee would create a resolution that makes each of these things an independent decision. If these are approved on January 22, then the Governance Committee would work on changing the By-laws and Articles of Incorporation to be approved at the April meeting. Those things have to be approved by the Full Board. They cannot be approved by the Executive Committee.

Jim said traditionally in January the counties would be giving us their recommendations for Board seats so he stressed for the counties that don't have an Industry Representative, it is extremely important to be able to appoint someone that would be able to participate so we would have a quorum under the old structure.

If there are lingering questions or concerns you feel should be discussed further, then we could have a meeting on January 8; however if you don't think there is a need for it, then we will wait until January 22 for the regular meeting.

Matt noted with the new Commissioners just coming in in January, he feels a meeting on January 8 would be too quick and anything that needs to be discussed and vetted could wait until the January 22 meeting and if time runs out at that meeting, then carry it over until February.

Carol said we need to take our time on this as it is important that everyone take a good look at it. One of the things we are trying to make happen is more engagement at all levels and we're reducing the number of meetings and then it is optional whether or not we're on a committee.

Deb spoke up and said every Board member would serve on at least one committee. They would be appointed. They would be asked on which Committee they would like to serve on and hopefully match them up with where they want to be. You would require every Board member to serve on at least one Committee.

When asked if the Committees would be meeting quarterly, Deb stated it would depend on the Committee and that is what we need to figure out.

Carol also stated that we are limiting the diversity of the Board. We can select a local official, a person from Education, etc. and she likes the diversity of the Board the way it is now. Since we are having difficulty getting people to attend the meetings, this is what we should be looking at.

Jim said one of the things talked about with the diversity issue is part of the role of the Governance Committee is to make recommendations for those three 'At-Large' members to try to make the Board diverse. If they see that all the counties are appointing private industry reps instead of someone from Education or from another sector, their role is to try to steer those three nominations to fill the gaps where we are missing the diversity.

The Governance Committee would also be thinking about who are the people being appointed, and what might be recommendations to County Commissioners to fill a seat from a particular county so that the Board complement is diverse even though there is a smaller number of Board members.

Strategy Solutions will provide a copy of the By-laws and Articles of Incorporation. The timeframe would be between the Board meeting where the restructuring recommendations are made and the next Board meeting where the By-laws and Articles of Incorporation would be approved. Before the By-laws and Articles are approved copies would be sent out to the Solicitor and Board members for their review.

Tom Beveridge also made mention that the notice provision which was indicated was mail and telephone. He thinks electronic means should also be included.

When asked if the January 8 meeting was necessary for more discussion and vetting, it was noted that it is more important that the County Commissioners make necessary appointments so at the January 22 meeting there will be a quorum for things to move forward. We would like to have the recommendations from each of the counties by January 15, in a formal letter telling us who it is that you have appointed to those positions that would be helpful.

Deb stated that beside the appointees going by the old structure, to be thinking about who the appointees would be in the new structure, if it is approved.

Copies of the current Board makeup will be sent to each County Commissioner, old and new, for their review.

When asked if the Governance Committee would need to meet before the January 22 meeting, it was decided that the Governance Committee will meet on January 8. Jim will send something out to the Committee. Carol stated she would like to be on this Committee and if there are others who wish to participate on this Committee, please let Jim know so he can include you in his email.

Another thing that came up regarding the meeting on January 22 is since we are not having an Executive Committee meeting, we should start this meeting sooner than 11:00 AM. It was even suggested to start this meeting at 9:30.

Jim updated the Committee regarding Keystone Rural Health who occupies the back half of our building. They inquired about additional space and have taken over the back conference room. Renovations being made are being paid for by Keystone Rural Health Consortia.

Jim then thanked Doug, Mark, Dan and Jim Thomas, our outgoing Commissioners, for their years of service.

And Jim invited everyone to have cake and coffee.

### **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 Mark McCracken. The meeting adjourned at 11:30 AM.

Respectfully submitted,

Daniel Freeburg  
Secretary/Treasurer