



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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North Central Executive Committee Meeting Wednesday, May 22, 2019

Members

Matthew Quesenberry	Elk County
Jeffrey Pisarcik	Jefferson County
James Sleigh	Jefferson County
Douglas Morley	Potter County

Via Conference Call

Mark McCracken	Clearfield County
Daniel Freeburg	Elk County
Carol Duffy	McKean County

Staff

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

Chair Quesenberry called the meeting to order at 9:45 with the pledge to the flag.

QUORUM/INTRODUCTIONS

There was a quorum for the meeting.

MINUTES

With no corrections or amendments to April 24, 2019, Executive Committee Minutes and the May 13, 2019, Executive Committee Conference Call, Doug Morley moved to accept the minutes as presented, seconded by Jeff Pisarcik. Motion unanimously passed.

NEW BUSINESS

Financial Reports

Jim stated they have gone through the budget for the end of the fiscal year and we are where we need to be as far as expenditures. We've done all the modifications that need to be done to the grants and we are in good shape.

With no comments or questions on the April Financial Reports, Doug Morley moved to accept the Financial Reports as presented, seconded by Carol Duffy. Motion unanimously passed.

A95s

A95 2745 was reviewed, which is for 2018 McKean County Community Development Block Grant for various projects throughout McKean County. Doug Morley acknowledged receipt of the A95 as presented, seconded by Jeff Pisarcik. Motion unanimously passed.

Correspondence

There was one letter of support to Senator Scarnati regarding North Central's support for the US Route 219 and PA Route 28 intersection project in Brockway.

Senator Scarnati has secured \$2 million in funds from the Commonwealth Finance Authority out of the \$2.8 million estimated cost. There is a shortfall of \$800,000 so we were approached, along with PennDOT, to work to try to find the balance so the Borough of Brockway doesn't have to get it. This letter is saying we are going to work to try to find that \$800,000 difference.

Amy stated there is going to be a meeting tonight with Brockway Borough, Senator Scarnati's Office, PennDOT and probably other people to talk about the project and where it is at. There is some controversy over it from some business owners. The meeting is to try to explain to them that there is no design on the project and we can't answer the environmental or the right-of-way because this has been started. This is a local project right now, but if we put money in, it will become a PennDOT project. The Borough has been the applicant so there is some communication that needs to take place to make sure everyone understands is and isn't involved with the project. Jefferson County is the administrator for the project.

This is for information only.

Purchases

There was one purchase for the month. It is to update the existing sign at the entrance of Ridgmont Drive. The updated sign will include six tenant panels for North Central, WRC Ridgmont Personal Care, WRC The Villages at Ridgmont, Elk County Emergency Services, Ridgway Medical Center and Pennsylvania WIC. The price quoted is \$5,730, which will be divided by the six entities listed. North Central's portion will be \$955 and WIC's portion will also be \$955.

It was noted that Dave Puncheon went out for three quotes as required.

Dan Freeburg moved to approve the update to the existing sign at the entrance to Ridgmont Drive, seconded by Jim Sleigh. Motion unanimously passed.

Mark McCracken left the conference call at 9:55 AM.

Resolutions

There were no Resolutions for the month.

Loans

Earthmovers Unlimited, Inc., Kylertown, Clearfield County, has requested loans in the amount of \$200,000 from the Appalachian Regional Commission Revolving Fund for 7 years at 3.5% and \$190,000 from the Intermediary Relending Program 5 for 7 years at the rate of 3.5%. This money is for the purchase of equipment. North Central's collateral will be shared first lien security interest on equipment to be acquired with the Clearfield County IDA and the personal guarantees of the owner. Thirty-three jobs will be retained and eight new jobs will be created within the next three years. The projected annual average hourly rate will be \$24.00 /hour plus 37% benefits.

Dan Freeburg moved to approve the loan to Earthmovers Unlimited, Inc., seconded by Doug Morley. Motion unanimously passed.

DISCUSSION

Jim spoke about an issue that arose with our 2018 Annual Audit regarding the Federal Award Findings. There was a portion of the audit 'Schedule of Expenditures of Federal Awards' that was reviewed and recognized by the State in their review process that the number at the bottom of page 29 were not correct. That was the only piece of information that was incorrect.

The Line Item that says Economic Adjustment Assistance Revolving Loan Program Non-Cash Award, we are required by the auditing standards and by EDA to add this in as an Expenditure even though it is technically not an Expenditure. It is a formula base based on the outstanding loan balance, the bank balance and administrative costs where when added up they take 75% of them. It is not actually an Expenditure; but it is required to be reported as an Expenditure on the SEFA.

For reconciliation purposes we remove that amount so we can reconcile our books and the audit report and the different tools we use to reconcile the information. In that process we didn't add the amount back in the total; and in doing so, it caused that bottom number to be incorrect.

We have to reissue the Audit Report, correcting that total number at the bottom. In doing so we had conversations with the Auditor and they recommended that not only adjusting the Schedule but also they had to put it in as a 'finding on compliance of internal controls' as a Deficiency. Several months ago when the Auditors reviewed the audit with the Executive Committee, they mentioned three levels of Findings. The levels are Deficiencies, Significant Deficiencies and Material Weaknesses. The Deficiency is the least severe of the Findings. The recommendation of the Auditor was that we have to put it in there this way. The only thing we are going to have to do besides reissuing the Audit Report itself, is to come up with a Correction Action Plan, which we are in the process of doing. We have 30 days in which to resubmit the Audit Report which we are within that time frame we fully anticipate everything being filed in that 30-day timeframe.

This won't affect our status as a 'Low Risk Audit.' The only thing we may have to do in next year's audit is just re-identify the Corrective Action Plan. We have already established part of the Corrective Action Plan by adjusting our spreadsheet and making that part of a separate calculation.

Jim also reported that we are working at applying for an EDA loan to look at Vertical Assets in our six-county region.

Ed said we are going to do an evaluation of all the vertical assets in our six counties: tower sites, privately owned, publically owned trying to figure out what is on the towers; silos, water towers, any taller buildings. The idea is to identify what is out there rather than building things.

AT&T has been putting towers up in our six counties for the First Net Project. They have acquired a lot of property; and he thinks there are three or four more towers yet to go up.

The idea is to know who has them and who we can contact and try to work with. Commercial towers are a little hard to deal with but we have done it. We have a contract with Crown Castle so perhaps the next ones will be easy to deal with.

The second phase of this is to identify actual bandwidth speeds in locations. If you look at the Census blocks that are put out by all the studies that are done, they are terrible. They say there is all kinds of bandwidth all over. However talking to people that are in these Census blocks, it is not actual information. The idea is to try to work with the School Districts and maybe do it as a senior project that the kids will have a designated site they will run the speed test from and get information back to whomever is in charge of it at the school and then to us. We will map that information so we will be able to defend our build-outs by the actual data, not because the Census block says it is covered, it is the people that live there say it's not covered.

Each Census track is about 3,000 people and if one person in that 3,000 footprint has broadband speeds, the whole district is considered to have broadband speeds. It isn't fair in rural areas where we have larger geographies with less people.

The big thing with the schools is all the schools are automated now and the kids have to do their homework on a computer. And there are outlying areas where the parents have to take their children to somewhere else to do their homework, i.e. friend's house, somewhere in town, library, etc.

We would also like to try to identify, if we can work it out with the schools, the people that can't afford the service. Is there something we can do down the road to subsidize that for the school districts. We may be able to do that with free and reduced lunch kids, etc. The goal is to find out where the real holes are and our goal is to try to fix the holes; and then hopefully down the road, we could actually turn over some of these areas to an actual bigger provider because we have proved the business sense for them.

Ed just received approval to use one of the State Police telephone poles in Ormsby, McKean County. They have never done that before; and the information Ed got back from the four people in charge of it is that they wholeheartedly support the project because that is re-using the poles. They are going to cut them down in two years and throw them away. We may try to acquire some of the poles. The idea there is Zito Media is two miles away; however, they have no interest in the area because they don't know if there is a take rate. We will build it with an entrepreneur in that area. If we get a good take rate we will go back to Zito and try to turn it over to them so they will build it out on their dime, not someone else's dime.

This is where we are headed and that is where this study is going to help so we will have real information of what the throughput really is.

Ed has a lot of information people don't so we're also going to put all the fiber runs in the six county region on this map. The Impact site we have shown you in the past in regards to some of the things, that is going to be the basis for us being able to map all this information. It will be interactive where people can go in and look at the information and see specific counties or the six county region. The big picture is we want to be able to address the areas of under-served or un-served. To get the federal dollars whether it's ARC POWER, USDA or some other grant source, you have to be able to identify these areas first and this is the first step in that process. We are going to identify all the holes and then go after additional monies to address them in specific counties.

Ed said we do that with a joint project we will be starting in a week or so in Vowinkle with the Northwest Commission. The project is just outside of Jefferson County. We are going to build a tower, he thinks in Clarion County, which will cover Clarion, Forest and Jefferson. It's for the Top Hill Cabins, Tunk'd Inn Farm, and a campground that is out there. We are going to build a tower on a gentleman's property that he gave his okay because he owns Top Hill Cabins so it is very beneficial to him. They applied for a grant through the Clarion County Commissioners and it looks like it is going to be approved for the construction of the tower. We actually own the tower we are going to donate because we no longer use it. We tore it down a few years ago. It was really a good thing for the grant and we are donating a \$2,000 tower that is ready to go. Ed is meeting with the tower company today to get that construction started. He believes there will be five or six businesses that will be covered off that.

One of our challenges is we move slowly because everything has always been home-grown and we have talked to you about that before. We are taking a chance with opportunities that are out there because there is a lot of them for broadband, at least at the Federal level. We think we have an opportunity to match it through In-kind services and some other funds we have available to us. We are hoping to get past this first initial hurdle and then talk to everyone once we get to the point of identifying the specific locations and talking about how we get the big dollars, match them and actually do what we consider the 'last mile', getting it to the house and getting the end user hooked up.

Ed also said there is some additional money we are going after that we're not sure how that is going to work out. That is through the Local Development Districts' organization. There is an opportunity possibly, as long as we can get buy-in from the elected officials at the State level, if they approve this pot of funds they are trying to get out. The nice thing with this is hopefully there won't be a match component to it. It will just be here. We have identified projects and already done the budgets on how we would do those projects. We would have a year to spend it, rather than having to spend it right now. A couple are in the Northwest area, two in our area, and one is covering the three counties in the Cook Forest area, which is so needy for everything we can possibly do for them. And the buy-in from the people has been wonderful.

We are looking at a two-year grant application and what we have added into that application because we are going to do all the work ourselves. We are looking to hopefully add capacity if awarded the grant to help Ed do some of this work.

Doug asked if we anticipate communication to all counties into the GIS planning areas to see what is going on already. Potter is talking to Tioga on a similar-type situation to begin to identify these vertical assets. With the Tri-Co project going on we know there are still going to be some holes and try to keep that all coordinated so if we get all done and we know we have done all we can do. Doug said Will Hunt is working on this already putting data and some mapping together.

Ed said they will be part of the study we will be doing. We will be gathering every asset we can. Ed will reach out to them to get whatever information they have already identified.

Carol said she agrees with Doug because we do need to coordinate this. Back in she believes it was November she came to the board and asked who should be driving broadband for our area and it seemed to be not North Central at that time. McKean County has moved forward with their own plans so we don't need to do things two times. She knows we will have to work together on a lot of this. Ed has a lot of information already but it's a very broad project and it would be good to know who is doing what, where. She thinks the Executive Committee needs to be very much involved in the whole process.

Jim said we are going to coordinate with each county and to make sure we are going to have somebody that will be going out and talking to everyone as well as identifying a lot of the assets. The hope is that hiring a new person who will be able to do all this coordination with the counties. We would like to address it in all six-counties as far as getting it to the end user. Ultimately that is what everybody is concerned about.

Carol said they will have to have discussions to see if McKean is going to forward with what they already have planned. Ed said he has already talked to the gentleman from Conxx, he reached out to Ed. And Ed will be contacting Carol to schedule a meeting and get all the ideas together and move forward at that point. She would have liked to have had this information before her meeting last week. Ed pointed out that we just went out to try to get this funding and we're not even sure we will be getting it.

This is in the very early stage. Doug said the same with Tioga they are just talking on how to put a process together. If you figure one out on how to get the data, whether it is schools or whatever you will do, it will be good to all do it the same way.

Amy asked if each of the counties have a point of contact, specifically to Doug and Carol since those counties have already started some things that you want us to specifically work with. Doug said Will Hunt in Potter and Carol said Sherri Geary and Jeremy Morey have been working on this for McKean County.

North Central will work with them and will keep Carol in the know. Even if McKean County decides to move on with their own, we will include them in what we do and share that data with whomever is doing the work.

Matt mentioned for Elk this is a welcomed opportunity as they understand the issue but haven't moved as quickly as Potter or McKean. For Elk to have North Central take this on, is certainly something we appreciate.

The region needs real data, not just what the providers say they have out there.

We are seeing funding opportunities coming up and we know we can't jump on those unless we have a foundation. We have to be very specific with the USDA funds. Everything has to be structured up front or you get to the end of those periods and you have no idea who owns what.

Doug stated with Ed's background and experience, he feels we are best served by following Ed's lead.

Ed told Carol the Ormsby project will start in the next few weeks. He just received the approval for the telephone pole.

Matt stated there is a pre kick-off meeting coming up in June with Strategy Solutions.

Doug asked the Chair to call an executive session regarding personnel.

Before going into Executive Session, Amy had information regarding the upcoming 2020 Census Count. They met with Heather Conrad, the US Census Local Representative, along with Richard Buck, the other representative. The County Planners were invited so Jeremy Morey and Jodi Brennan participated via conference call.

This is to make sure there is a coordinated effort to get the people counted for the 2020 Census, on whether the counties are forming their 'Everyone Counts' committees and what roles as a regional organization we have in helping to talk about the importance of the counts.

One of the areas that they are flagging are children under the age of 5, newborns are not being counted and for every person not counted, it is about \$2,100 per person that doesn't come into your communities, which is big money when you start adding it up. We calculated about 15% or so don't respond. So 15% of your population at \$2,100 per person adds up quickly. Whatever we can do to get the word out on the importance of everyone being counted in the Census and communicate that, is in everyone's best interest in order to make sure we are getting a fair share of the resources based on those counts.

We will be working with your County Planning staff to try to get that word out. If you need anyone to come in and talk or you need anyone to participate in your committees that you are forming locally, we have staff that will be a part of that if you wish and we will be making sure that we talk about this at events when we have an opportunity to do so.

Chair Quesenberry asked for a motion to go into Executive Session regarding personnel.

Doug Morley moved to go into Executive Session, seconded by Jeff Pisarcik at 10:20 AM.

The regular meeting reconvened at 10:45 with no recommendations being made during the Executive Session.

The next North Central Executive Committee Meeting will be held on Wednesday, June 26, at 9:30 AM in the Teleconference Room.

ADJOURN

With no additional items to be discussed, Chair Quesenberry called for a motion to adjourn. Jeff Pisarcik moved to adjourn the meeting, seconded by Carol Duffy. The meeting adjourned at 11:45 AM.

Respectfully submitted,

Daniel Freeburg
Secretary/Treasurer