



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

49 Ridgmont Drive, Ridgway, PA 15853

Phone: (814) 773-3162

Fax: (814) 772-7045

North Central Executive Committee Meeting Wednesday, September 25, 2019

Members

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

Staff

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

Guests

Thomas R. Beveridge Coppolo & Coppolo

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 August 28, 2019, Executive Committee Minutes, Doug Morley moved to accept the minutes as presented, seconded by Jeff Pisarcik. Motion unanimously passed.

NEW BUSINESS

Financial Reports

Regarding the Financials, Jim stated that all budgets are in the system with the exception of the ARC Administrative grant that starts January 1, 2020. These reports are representative of what we actually have in the system and approved at this time.

A copy of the Financial Reports was sent to Deb Thompson of Strategy Solutions to see if this is something that we can improve on, that would help the Executive Committee members. This is something we will be talking about at next month's meeting. Deb felt that everything was pretty good as to what we provide to you. One thing we got a little lax with is if there is things in the report that show either a negative number or something that is a little out of the ordinary, above average spending, things like that we are going to try to put some footnotes in just to give you more information as to the reports.

If there is anything the Executive Committee would like to see in relationship to this, please let Jim know. We have had some suggestions in the past and have tried to implement them; and we will continue to do the same in the future.

Doug Morley asked who Tom Bundy is because in the Check Balance there is a check made out to Tom Bundy for \$10,000.

Tom was a former employee of North Central in Workforce Development. At the North Central Annual Golf Outing on August 16, Tom had a hole-in-one on a designated hole and won \$10,000. Every year we buy an insurance policy to cover such a thing and have never used it until this year. We received a \$10,000 check from the Insurance Company and in turn, sent Tom a check for \$10,000. Amy said it costs around \$100 - \$110 to purchase the insurance and it covers four prizes, the big one being the \$10,000.

Matt said we just want to make sure that when we provide so much information that is it meaningful.

Jim doesn't know if the Executive Committee just wants to see the overall report and not broken down by departments. We can kind of customize this. If there is some format that you feel is a good format that we could provide to you that would be meaningful to please let us know. We want to provide information that you want to see.

Doug added that all this information give us a good shield.

Again Jim said to feel free to ask any question you want about the numbers at any point in the future. We might not have the specific answer right away but we will get back to you very quickly as to what that item might be.

With no further comments or questions on the August 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.

Correspondence

There was no Correspondence for the month.

Purchases

There were no Purchases for the month.

Resolutions

Resolution No. 19-09-2069 was presented wherein North Central can enter into contracts with the Pennsylvania Department of Transportation and that North Central authorizes the Executive Director, and in his inability to do so for any reason, the Director of Finance, to execute an MOU with PennDOT, sign all routine contracts, continuations and amendments on the Commission's behalf. In the past, the resolution has named specific persons to sign all routine contracts, etc.

Jeff Pisarcik moved to adopt Resolution No. 19-09-2096, seconded by Doug Morley. Motion unanimously passed.

Loans

Logyard Brewing, LLC, Kane, McKean County, has requested loans in the amount of \$200,000 from the Economic Development Administration Revolving Loan Fund for 7 years at 3% and \$50,000 from the USDA Intermediary Relending Loan Program for 7 years at 3%. This money is for the purchase of equipment. North Central's collateral will be second lien security interest on business assets and mortgage on real estate shared with McKean County RDA and McKean County IDA subject to the lien security interest of Northwest Bank and the personal guarantee of the owners. Four jobs will be retained and six new jobs will be created within three years. The projected annual average hourly rate will be \$14.42/hour plus 10% benefits.

Doug Morley moved to approve the loan Logyard Brewing, LLC, seconded by Carol Duffy. Motion unanimously passed.

Broadband

Regarding Broadband, Ed stated he attended a meeting in McKean County on September 24. They have a Broadband Committee they are starting to try to figure out where the holes in the county are in broadband. They did a small start-out study and did a pretty good job with it. They got a decent response rate for just putting it out. We are going to take their data and build upon it and work with the schools to try to get the schools to buy into doing the Broadband Study with at least the seniors. A few schools he has contacted in the Bradford School District all seem to be on board with what we are trying to do. Obviously they can't force the students to do it. He thinks we will get a pretty good take rate on trying to find those holes.

Jim and Ed went to the Chamber luncheon in DuBois and spoke about what North Central is doing for that. Jim did an overview of what North Central does as there were quite a few people there who didn't know who he was. It was very well received and a good meeting.

We are still working on getting our \$300,000 from the State. We have our application in. Ed contacted the lady today to find out when he can start spending the money. He has one project in process on that which is in Cloe, Jefferson County. Ed just received emails from the tower company that we are just about ready but he needs to know if he can spend the money. The second project will be in Miola in Clarion County. That project is being done in conjunction with Northwest Commission.

We have an ad out to hire someone to help in the Department. They will primarily work on the Broadband Study and the Vertical Asset initially, but they will be helping Ed with other tasks we have in North Central. That will help so much having an extra person.

After the DuBois meeting Ed met some people and they identified some other holes in Jefferson County which is Big Run, Prescott Road coming in through Reynoldsville. He did take a ride out there and there is a commercial tower we might be able to use to get service to the people out there.

We are entertaining everything that comes out for services. There is a lot going on in Clearfield County. Ed is working with Rich Smith, owner of Xtreme Wear, to do his camp and home. He will now be able to go to camp and actually do business. We are hoping to get a bunch of stuff done.

The Ormsby project is finally to the point where they can start bringing on customers and hopefully will be kicking off next week.

Jim noted there are some additional bills that haven't been passed yet. We were made aware of Senate Bill 835 where they are actually starting to look at putting funding towards more local ISPs.

Ed said they are looking at \$10 million and it is not geared towards the big corporations. They understand the big corporations aren't willing to do it because they can't report back to their stockholders that they spent millions of dollars to cover 20 people. It is a 25% match which is really unheard of. It is usually a dollar for dollar match. You can get a few million dollars and not have a ton of match money involved in it. If that comes around, that will be very helpful. There is a stipulation in there that you have to prove that you can actually do it, that you have done them before. It can't be a start-up to do it. We should qualify for all of it. That is really in its beginning stages and he doesn't know where this is going to go, if it goes anywhere.

Jim said it's funny to read the language. You can tell Ed has been talking to a lot of the right people because the language is very similar to what he has been talking about for the last several years and they are finally starting to take note that it's about addressing unserved or underserved areas. Their definition of unserved or underserved is actually better than someone needing the Federal dollars because it is anything that is below the Federal standard of 253. Those areas would actually qualify for some of the \$10 million that they have. We are hopeful that that or something very similar to it gets passed.

When we finish the Broadband Study Ed said we will actually know where there are holes; and we have some input from some people that process those type of lines that you can actually cut out sections of areas and donut hole it, cut the donut hole out and throw it away. You can work people around it but you may have had to come through that area to get to these people. There are ways around where it is

covered and not covered. You can cut people out and feed them service later after you have done the initial project.

Carol stated there are 625 students that have no connectivity in the Bradford area. And that is just in the Bradford School District. She thinks they are moving in the right direction on addressing this issue.

Ed noted that in the Punxsy School District 35% of their students don't have connectivity. So it is hard to do the Cyber Days now that the schools can do Cyber Days instead of snow days. If that many of your students can't participate, do you do the Cyber Day or just take the snow day. Punxsy is taking the snow days this year as is Bradford. We need to try to fill those holes.

Matt welcomed Tom Beveridge to the meeting and then asked he could excuse himself for a few minutes.

As we will be losing Tom Coppolo as North Central Solicitor, Matt said we have been having some informal talks about how to move forward. Matt's recommendation, and talking with Jim as well as Jay and Deb to get some input on their thoughts, is we don't have a written agreement with Solicitor Coppolo currently. From our understanding the arrangement isn't specific to the attorney, it's with the firm. So Tom Beveridge will be assuming Coppolo & Coppolo as a firm. Matt's thinking is since it is the firm we use and not the specific person, to keep Tom Beveridge as our solicitor through June 30, 2020.

That way with four new board members coming on in January that would give the Executive Committee time to see how things are working out with Tom Beveridge and vice versa to see if we fit with him. And if not, then perhaps 90 days prior to June 30 we could put out an RFP for Legal Services. Jeff recommended staying with Coppolo & Coppolo, using Tom Beveridge as our solicitor.

Jim said this gives us an opportunity to test Tom's services. He is not going to change anything with regard to the fee structure; although he is willing to if we are more comfortable having him do so. Right now we pay a retainer fee along with an hourly rate. The hourly rate is more towards our Loan Program when he has to create documents or do things of that nature. Under the retainer fee he spelled out for us that it is advice either verbal or email, reviewing documents, etc. that are covered. Depending on how comfortable you are as a Committee he is willing to change that structure.

Mark asked if the retainer fee covered the solicitor attending our meetings and, yes, the retainer fee does cover his attending meetings.

Jenn asked if the retainer fee covered any programs in the agency, even the Loan Program.

Jim said we can clarify that but Tom said legal advice; and he didn't specify to any particular department or branch of North Central.

Jenn said she is charged more on an 'as needed basis' if he is doing documents or if there is something specific we are doing such as a UCC or satisfying a mortgage. She said there was something in our policy that the solicitor was supposed to attend all Loan Review meetings. She addressed this with the Loan Review Committee during their September 12 meeting. She is not sure why that is in the policy because

if that is an expectation, he doesn't do that. Our feeling was he doesn't need to call in or attend the Loan Review Committee meetings. It is more for us to seek his advice as needed.

When asked how much the retainer fee is Jim replied it is \$5,000 annually and Tom has been doing this for about 14 years and that was the starting retainer fee at that time. He hasn't changed it at all during this time.

Jenn said the only recommendation about keeping Coppolo & Coppolo to the end of June, 2020, the thought of the Loan Review Committee was that we need someone who is well versed in commercial lending and is able to secure loan transactions and that sort of thing. If we do put out an RFP maybe we put out separate RFPs for the Loan Program, one for loan documents and general legal advice and another one if we need an attorney for bankruptcies or liquidations; and that doesn't happen often.

Jim said we may have to ask Mr. Beveridge to attend one of your Loan Review Committee meetings to have your Committee to ask him those types of questions because Jim doesn't know what kind of services he specifically provides. We have considered this in the past whether we go a different route with the Loan Program as far as finding an attorney that is more specific to them versus a Tom Coppolo or Tom Beveridge who is more general services for North Central.

Tom Beveridge returned to the meeting.

Matt stated we discussed the arrangement that we understood through some of the email correspondence where we are continuing to go with Coppolo & Coppolo and have Tom Beveridge as our solicitor for what will be the remainder of this fiscal year which ends June 30, 2020.

A new Board will come in in January and we will have a good six-month lead time where it will give you an opportunity to determine if this is the right fit for you and will give those new Commissioner Board members a chance to understand the workings and see how things are going. It will be easier for us to remain status quo.

Matt said with the exception of something that would be specifically sort of specialized, Tom would be available to the departments for a phone call for legal advice for anything that might come up. Obviously if there was something beyond what would be considered normal, that would be a per hour rate; but for the most part you would be available to attend meetings, to field phone calls, to weigh in on something that come up. To which Mr. Beveridge stated absolutely he would be available.

There were a couple other things to be taken care of before getting Deb Thompson on the phone.

One was a copy of the Board Governance for Sustainability which Deb will talk about shortly.

Regarding the work Strategy Solutions is doing, a question came up about how do we have the Executive Committee Meeting and our Full Board Meeting. Deb has some questions and some recommendations and that led to proposing the idea of actually getting some people together and taking a deeper look into this. Matt said neither Deb nor Jay were going to be at today's meeting; however, Deb said she would be available by conference call. Around 10:30 or when we get finished

with this portion of the meeting we will try to call her and she can explain a little more on her thoughts and walk through this so we have a common understanding of how we are going forward on this piece.

On the bottom of the agenda the next Executive Committee Meeting is scheduled for Wednesday, October 23, at 9:30 AM and then we have our Full Board meeting at 11 AM. However, this is the meeting Strategy Solutions is planning to do a 'retreat' and have some kind of common walk through of findings with both boards.

Jim said they are doing interviews right now and he isn't sure if this time will also be used to touch base with some of the people they haven't been able to contact. Then they are going to review the findings with the Board and talk about it.

What that means is if we try to have both meetings in the schedule we are accustomed to, it could crunch us too much for time. Do we want to move the Executive Committee Meeting to begin at 9 AM and have a shorter meeting or keep with the current time and just shorten the meeting?

Jim thinks part of it was the 11 AM – 12 Noon which is the typically Full Board Meeting wasn't going to be enough time for them to do their presentation and they wanted to do that with the Full Board, not just the Executive Committee. The thought process was if we provided them the normal time starting at 9:30 until Noon to do this presentation he thinks they felt it was enough time to get through everything. To do that, that would not allow the Executive Committee time to go through the normal agenda, any loans or other activity that we may or may not have. We will know more as October goes on if there are going to be loans or correspondence that we would necessarily have to have the Executive Committee meeting prior to the Full Board meeting.

We would either cancel or if there is action that must be taken, look at perhaps a 9 AM start and go for 30 minutes and then go into the Full Board meeting.

Since this meeting took 40 minutes, possibly look at starting at 9:30 AM going to 10 AM and then starting the Full Board at 10 AM, going to Noon, if two hours is enough time for them to do their presentation.

Just be aware we may be playing with times for the October meetings.

Strategy Solutions

Deb Thompson of Strategy Solutions joined the meeting and reviewed a power point presentation, "Board Governance for Sustainability" which had been handed out.

Deb stated that North Central's Board has an interesting and unusual configuration. They have received feedback from Board members that there are many long standing vacancies and members who do not attend the meetings.

The Executive Committee is more engaged but sometimes and this goes back to Best Practices and Board Governance and what BoardSource has recommended is that boards take a little bit of emphasis

and the workload off of an Executive Committee and distribute to the Full Board and get some working Committees to be able to provide oversight to certain functions. This would be so all the work doesn't fall on the shoulders of the Executive Committee and to some degree the Board Chair. There is a better way to distribute the labor, create legitimate roles for the Executive Director to provide staff support to the Board and as a result of that the Board becomes more engaged and involved and provides more strategic input and everyone is happier.

Why Restructure the Board? It would improve board member engagement, composition, and /or diversity. It would increase the board's understanding and support of strategic direction and development efforts. And it would increase alignment with accreditation standards.

To get started, Deb recommends that the Chair appoint an "Ad Hoc Board Governance Committee" made up of volunteers who would be responsible for 'board development.' This Committee would meet two-three times and make a recommendation to the Board regarding any changes they feel would make the Board more efficient, effective and/or getting members engaged.

The purpose of the Governance Committee is to ask and answer the following questions and make a recommendation to the Full Board regarding the future Board structure and operations framework:

- Understand the Standards for Excellence[®] related to board governance – do we wish to follow governance best practices (based on the Standards) as we govern/lead the organization?
- Understand the "division of labor" between the Board and Executive Director, will we hold ourselves accountable to our appropriate, respective roles?
- How do we want the Board to be structured and operate not only to meet the Standards but to effectively support communications and implementation of the strategic plan?

Board Restructuring Process would include:

1. Appoint a Governance Committee
2. Review Governance Standards and/or Accreditation Expectations related to best practices in Board composition and performance
3. Governance Committee decides if the Board should conduct a performance evaluation survey (to get input from the whole Board on performance and restructuring)
4. Governance Committee looks at possible restructuring options, decides on structure that is needed, clarifies committee roles and looks at job descriptions for each committee
5. Governance Committee recommends any structure changes they feel would be beneficial to the Full Board for approval/educate Board on governance standards
6. Bylaws are changed to reflect structure changes
7. "Agenda of Work" is created for each Board committee to align Board efforts with agency strategic direction and plan

Matt stated that some of the people on the Full Board feel coming here and listening to reports is beneficial but they feel that more of the heavy lifting and decision making was being done outside of the Full Board Meeting. He thinks that led to some frustration and questioning why they attend and what their role is with the Full Board.

North Central has a structure that creates a strong Executive Committee. What Strategy Solutions is proposing is the opportunity to take a look at that and ask how do we want the Board to perform. One of Deb's concerns with the way the Board is operating is there are a number of open positions that aren't filled and there is no process to fill them. There is a mechanism in the Bylaws that should be followed but we are not practicing it.

North Central should be following their Bylaws and should not be out of compliance with them and the Bylaws should reflect how you want North Central to operate. We should be operating in a way that serves us well strategically. Deb thinks there is a desire for North Central to be relevant, vibrant, a key player for good economic growth that supports the region and supports projects of regional significance for the area. Everyone seems to want that but there is a lack of understanding of how the Board engages around that and should be engaged to support that in a way it really creates value for the Board and for those we serve.

Getting there and making that a reality is not all that difficult. It is just a matter of agreeing to what the process looks like and then allowing Jim and educating Jim to own that space well and provide support to the Board so the Board can lead in the way the Board needs to lead.

Deb was asked if she got a sense of the challenges that are being faced on why vacancies were an issue.

Deb said it is hard to get people willing to serve on the Board. One of the things that will happen as a creation of that agenda of work, your Governance Committee members will be able to say to our elected officials we need a person with this characteristic from your county that can do this and this is why we want them on the Board. We only need them for 20 hours a year...10 hours to attend Board Meetings and 10 hours to attend Committee Meetings and this is what they are going to be doing and this is why we need them.

Deb said what they have found when you can get that specific about what you are doing, why you are doing it and the role you want Board Members to play, now your elected officials can have a conversation with a key person that they want on the Committee and here is why we want you to serve.

Matt said to his way of thinking this is similar to our approach with the Commission as a whole. We fall into this pattern because it came before all of us. It was already set up, how is we are going to meet, this is what our Bylaws said, so what we are doing is trying to fit that square peg into a round hole. He thinks let's start over again and if the Bylaws call for a requisite number of Board members that we can't find and are unwilling to participate, then maybe the problem isn't to beat the bushes more but to look at the Bylaws and see if we are where we want to be. Our Executive Committee meets monthly. Why do we meet monthly? Do we even need to meet monthly?

Deb said according to BoardSource it recommends we only need to meet quarterly.

We are in an interesting time when we can look at what we are doing and basically if we have to we can tear it down and rebuild it instead of continuing to do what we have always done for reasons we can't fully explain.

Matt has Deborah Pontzer and Matt Maurisak he has worked with over the years and he values what they can bring in terms of their understanding of board structure, the Commission. They are sort of a quasi-outside perspective but we're talking about our group, this is us. Matt doesn't want to go forward and begin this process and not have some people that might be interested to join along with us. And to clarify when you say meetings, we're not talking about in person meetings, we're talking about conference calls, Deb?

She said they are going to do a webinar conference call, with everyone in their office or wherever they are, and will log into ReadyTalk online. Deb said they will be showing materials that will be sent out in advance and facilitate the discussion via conference call. The calls will last an hour with perhaps one being 90 minutes. It will be focused on "what do you think about this and what direction to you want to go" and we'll get it done. She and Jim will do completed staff work in preparations for the meetings and it won't be that hard.

Jenn did say that we would need to look at items, loans for example, that need approval right away and can't wait two or three months for Executive Committee approval. She doesn't know if this is something that you'd look at even within the structure if that goes down to maybe some advisory boards such as the Loan Committee. The Loan Review Committee really has no structure buy maybe it's a structure that could be that there are appointed positions and maybe part of the Board of North Central.

Matt said if it was the will of the Board maybe have a smaller group of people that we entrust to take action specifically on those things that they have.

Jenn said the Loan Committee is self-appointed board and is that way because there is no political influence on any loans and perhaps is something that should be reviewed. There are 16 members making up the Loan Review Committee. Jenn had a person ask he if could be on the Loan Committee. He has been on but due to some health issues had to resign and said if there was a vacancy he would like to be considered. Since there are already so many on the Loan Review Committee, Jenn recommended that this person serve as an alternate to the board he sits on.

Deb said they are going to start next week and she and Jim need to have a chat before the meeting, perhaps Friday or Monday. She will send Jim an email with times when she will be available.

DRb and Jim are going to be creating the structure for the input. They are going to try to make pretty strategic and get done and get out.

Matt asked if we should reach out to Full Board members to see if they would be interested to be a part of this as well. And Deb said that could be done.

Amy asked if anyone Deb talked to anyone who gave a strong inkling that they would be a good candidate, that they felt they were being underutilized and wanted to do more and this may be that opportunity to give them that opportunity to get engaged.

Deb said she needed to ask Jay that because he talked to more people than she did.

Amy said when they set up the RPO Committee that had a structure of all the six county planning people appointed by the Commissioners then the different modal. They used to have an Executive Committee that was made up of a county commissioner, the District Executive and what they found was none of them would come so they made North Central's Executive Committee the policy committee that gives the final approval on things. When you do that we either have to set up a new committee or what that looks like.

Deb said we have to look at the way the whole structure works. And Jim will be a part of that conversation so that will help address some of the internal environments that we may not be privy to.

Matt said we do need to move forward with this and it presents a good opportunity for us and it's a fact finding and if we determine that we are good the way we are, then that's fine. We are not going to jump to any conclusions and assume that things have to change. While we have this opportunity with Strategy Solutions he feels it's valuable to take advantage of it.

Jim said we also talked a little bit about next month's meeting. How much time are you looking at needing for that meeting?

Deb said they have done this type of meeting in two hours but she would like to have three if possible, but will take two and a half. Two hours is the minimum.

It was decided that the Executive Committee meeting will begin at its regular time of 9:30 AM and the Full Board will begin at 10:00 and go until 1:00 PM. Lunch will be brought in at Noon and people can take a 10 minute break to get lunch and we will work through lunch.

Jim wants to reach out to each Full Board member making them aware of how important their participation in this meeting is.

Therefore the next North Central Executive Committee Meeting will be held on Wednesday, October 23, starting at 9:30 AM in the Teleconference Room. This will be followed by the Full Board of Directors' meeting beginning 10:00 AM.

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 10:45 AM.

Respectfully submitted,

Daniel Freeburg
Secretary/Treasurer