



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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North Central Board Meeting

Wednesday, May 27, 2020

Members via Zoom

Ann Losey
Cliff Clark
Dennis McKimm
Kristy Smith
Jodi Brennan
Matt Quesenberry
Eric Wolfe
Jodi Foster
Jeff Pisarcik
Jack Matson
Jamie Lefever
Jim Sleigh
Carol Duffy
Tom Kreiner
Susan Zook Wilson
Nancy Grupp
Doug Morley

Cameron County
Cameron County
Cameron County
Clearfield County
Clearfield County
Elk County
Elk County
Elk County
Jefferson County
Jefferson County
Jefferson County
Jefferson County
McKean County
McKean County
McKean County
Potter County
Potter County

Staff via in person or Zoom

Jim Chorney
Amy Kessler
Cheryl DePanfilis
Christine Perneski
Kati Geci
Julie Kasmierski
Jennifer Hibbard
Ed Matts
Mary Lou Jessop

Guests via Zoom

Deborah Pontzer
Debra Thompson
Thomas Beveridge
Brian Stockman

Congressman Glenn Thompson's Office
Strategy Solutions
Solicitor
Ridgway Record/Daily Press

Chair Pisarcik called the meeting to order at 9:30 AM via Zoom with the pledge to the flag.

QUORUM/INTRODUCTIONS

Roll call was taken to make sure everyone on the meeting was captured. There was a quorum for the meeting.

MINUTES

With no corrections or amendments to the April 8 and April 22, 2020, Board Minutes, Ann Losey moved to accept the minutes as presented, seconded by Tom Kreiner. Motion unanimously passed.

NEW BUSINESS

Financial Reports

With no other comments or questions on the March/April Financial Reports, Nancy Grupp moved to accept the Financial Reports as presented, seconded by Jodi Foster. Motion unanimously passed.

A95s

A95s make people aware that the Federal Government is making an investment in the area named. North Central, in turn, sends it out to those organizations/people whose area is involved. It then gives those involved an opportunity to voice their concerns either for or against the project. This is an informational process only that requires no voting; however the Board does acknowledge receipt of the A95(s).

One A95 was presented for review. A95 2750 – McKean County Redevelopment Authority, McKean County, 2019 CDBG Grant monies to be used for five projects for a total of \$284,054 in CDBG funds.

Matt Quesenberry acknowledged receipt of the A95, seconded by Ann Losey. Motion unanimously passed.

Correspondence

There was no Correspondence

Purchases

There were no Purchases.

Resolutions

Resolution #20-03-3003 was presented. This resolution is that North Central Board of Directors approves the 2020 Public Participation Plan including Title VI Compliance and Limited English Proficiency Plans.

Jodi Foster moved to approve Resolutions #20-03-3003, seconded by Ann Losey. Motion unanimously passed.

Loans

North Penn Supply Quarries, LLC, Coudersport, Potter County, has requested loans in the amount of \$50,000 from the Economic Development Administration Revolving Loan Fund for 7 years at the rate of 3% and \$250,000 from the USDA Intermediary Relending Program for 7 years at the rate of 3%. North Central's collateral will be second lien security interest on business assets subject to the first lien security interest of Juniata Valley Bank, mortgage on commercial real estate subject to the mortgage of Juniata

Valley Bank, as well as the personal guarantees of the three owners. Six full time job will be retained and one new job will be created within three years.

Jim Sleigh moved to accept the loan to North Penn Supply Quarries, LLC, seconded by Doug Morley. Motion unanimously passed

Tarport Enterprises, Inc./E.W. Bisett & Son, Inc., Bradford, McKean County, has requested a loan in the amount of \$120,000 from the Economic Development Administration Revolving Loan Fund for 5 years at the rate of 2.5%. North Central's collateral will be second lien security interest on business assets subject to the first lien security interest of Northwest Bank, as well as the personal guarantees of the owner. Twenty full time job will be retained.

Dennis McKimm moved to accept the loan to, seconded by Carol Duffy. Motion unanimously passed

North Central was invited by the Economic Development Administration to apply for a supplemental financial assistance award at a 100% federal grant rate with no matching share required.

North Central could receive up to \$1,760,000 to capitalize a new Revolving Loan Fund to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic to serve our six county region. This amount would be divided equally between our counties with each county receiving approximately \$293,000. Jenn is looking at a maximum loan of between \$20 – 30,000 for businesses to receive.

She is also considering 0% interest with deferred payments of six months. Regarding the term of the loans she is thinking five to possibly ten years. Jenn noted that EDA is very specific that these loans cannot be used for loan forgiveness. This money is going to be lent out with the intention we are going to be paid back. The businesses will have to prove they were viable before the COVID-19 pandemic hit. Also there is no match required on our part and this money is not subject to EDA interest rates.

This was presented at the May 13 CEDS meeting and the Committee was very interested in being part anyway they can. This addresses goals and objectives of the CEDS and would be for small businesses that were unable to receive the CWCA or PPP funds.

When asked about loan forgiveness, North Central will make all efforts to collect on a loan. And with this being grant dollars, we don't have the liability to pay back EDA should a loan fail.

We have until June 7 to submit our application and it will be about 30 days before we hear if we are successful in receiving these funds. We then would have 60 days to submit a formal plan. At this time Jenn isn't sure if the loans will go before the Loan Review Committee or the Microloan Committee. The economic development staff on the CEDS Committee will be involved in this as well. This will be a non-competitive process.

When these funds came in they were part of the CARES Act. EDA set aside \$1.5 billion and this is part of that. This portion of it is a non-competitive bidding process so we have a great opportunity to address some of the areas that we feel have been missed through the other loan processes as Jenn stated earlier.

Along with this we were also invited for a second pot of funding through EDA which is a \$400,000 24-month administrative grant. This is going to be very similar to the requirements of the loan fund. It deals with COVID-related activities, resiliency, etc. It has to relate back to our CEDS document so that is

something we discussed with the CEDS Committee last week, along with the revolving loan fund. We have that Committee on board and in support of it. We are going to be interacting with them and getting their ideas on how to move forward.

Regarding the specifics of this, Amy said the CEDS document is kind of the regional economic development strategy for the region. The CEDS plan was done before COVID-19 and there are some elements in there for resiliency but not enough to talk about the economic recovery resiliency. We are going to use the CEDS Committee to dig deeper into putting that document together, using them to be the 'foot soldiers' within our communities to identify the those businesses that we feel are going to come out of this on the other side and could use that working capital that Jenn talked about and be the 'feeder' to the Jenn and the Loan Review Committee to help identify some of these companies that could use those financial resources through Jenn.

We also want to engage on the Federal Opportunities Zones to see if there are opportunities to benefit our region and put another tool in the toolbox for economic development.

Broadband is still going to be a big piece of this. We want to use the Board's COVID-19 Recovery Response Team, along with the CEDS Committee, to help address moving forward what this looks like within the next two years, how we come out of this stronger.

As a planning exercise and what those funds are for, we have a staff person, Rachel Wofel, we are going to put in charge of that. She will be leading that effort with the CEDS Committee and coordinate with Jenn's Loan Review Committee.

Both applications are due by June 7 and we are planning on having them done by June 5. We are hoping to have the preliminary applications finished by the end of the week and ready to be submitted early next week.

There was a question in the Chat Room and Jenn answered it. Based on that timeline we anticipate accepting applications for businesses probably in mid-July. We want to wait until we receive approval from EDA to make sure we are awarded the funds. And once we are awarded the funds we want to immediately begin to market the program and recruit some qualified applicants. We want to try to avoid doing the first come, first serve model. We want to be more strategic about it.

Between the CEDS Committee and Loan Review Committee we hope we can come up with a structure and recruitment process that will help us identify the neediest businesses, the ones that are most in danger of not make it through this crisis. The first come, first serve didn't really work well for the PIDA Working Capital loans or the PPP loans. There were flaws with both those.

There will be some underwriting guidelines that will be developed with this. We are going to want the business to be able at least demonstrate that they have been solvent prior to the pandemic. We wouldn't want to be lending to someone who has been operating at losses for years and wouldn't be able to demonstrate that they are able to take on any debt.

With no other questions for Jenn, Amy or Jim, Chair Pisarcik asked is a motion was needed to proceed.

Jim said since we had a formal recommendation from the Loan Review Committee that they accepted to move forward with the process we should have a motion.

Deb stated that according to Robert's Rules, if you have a formal recommendation from a Committee, it is actually considered an open motion on the floor so you don't need a motion for it, but you do have to vote on it.

With that Chair Pisarcik called for a vote on accepting the recommendation of the Loan Review Committee to move forward with the process to apply for the EDA funds. Motion unanimously passed.

Broadband

Ed reported we are moving ahead to get back out within the next two weeks getting some tower site work done, some fiber backhaul work done. They are ready to move on the Miola project in Clarion County and are just waiting for the contacts to come in for the tower companies. There is a very large project they are going to start on in the Lumber City, Mahaffey area. They have had overwhelming response from that area of people that need connectivity. Adam took a day and went down and drove around and we're probably going to have 50-60 customers off that site because the service is so bad in that area.

They have been building out in the Cloe, Punxsy area and that has been going very well. They have received many referrals from people that have already connected with us to bring on more people. Most of them are business owners, lawyers, doctors, people who are working from home so we are getting a lot of those requests.

There is a project in Cook Forest Ed has to get started as they are starting to open things up. It will be out towards Vowinckel.

There is quite a bit going on. We are also going to work with the CEDS Committee to establish a Broadband Committee so we get representative from every county on there. It doesn't have to be technical people. It could be someone from the CEDS Committee or they could recommend someone else. We will be sending out an email to them of what we are looking for. That way we will have equitable distribution of the money as we get other funding, making sure every county is included.

Ormsby has been up and running, however Ed hasn't had time to devote to it. He is going to get back out there and get those four or five customers that are ready to come online hooked up.

Regarding the project in Cloe, Jeff asked if it will go north along 119 and catch some of those businesses in there and quite a few homes that have poor services that we have talked about. There were issues with getting any connection there.

It won't go as far as up towards Sykesville that we would like to go but we may be able to relay off another tower site. There are a couple of possibilities out that way. The tower can actually be seen quite a ways, Troutville, Luthersburg, Big Run, so we have been exploring other areas. We are doing an expansion off of that site and it's actually going into Indiana County, on the Indiana County/Jefferson border, Harkleroad Road. There are eight homes on that road and they have zero coverage. To use a cell phone they have to stand in their yards. We have an agreement with the State Police to use a tower and the State Game Lands in Indiana County. We are going to build a solar site in a gentleman's field and that will serve those eight homes with internet at a reasonable cost.

Governance Committee Report

Jack Matson stated the Committee worked on the By-laws with the goal of making it a foundation for an excellent organization and he believes that was accomplished. The other thing they did was work on the new composition of the Board to make it more active and have the right people sitting on it to make the right decisions. Space was left on the Board to fill in the gaps. He believes they came up with a really nice working document that will serve North Central for years, if not decades, to come.

Again as there is an open motion on the floor from the Governance Committee for the Board to accept the changes to by By-laws and Articles of Incorporation, Chair Pisarcik called for a vote to accept the changes to the By-laws and Articles. Motion unanimously passed.

The second recommendation is to have in person meetings (if allowable) scheduled for January, March, May, July, September and November for full agenda discussions. The off months of February, April, June, August, October and December would be virtual meetings with a limited agenda, including loan approvals, and will be scheduled. The intent is that these meeting would be no longer than 20 minutes. These off-month meetings will be cancelled if there is no urgent business pending.

If we are awarded the EDA funds we are going to have to move very quickly with them because time will be of the essence so it's important that we come up with some way to have approvals in those off months and it addresses the issue of having a Committee do the approvals.

Again as there is an open motion on the floor from the Governance Committee for the Board to accept to have in-person meetings (if allowable) in January, March, May, July, September and November with off-months meetings in February, April, June, August, October and December being virtual meetings having a limited agenda if necessary, and cancelled is there is no urgent business pending, Chair Pisarcik called for a vote to accept the above meeting times. Motion unanimously passed.

One of the things discussed at the last Governance Committee was when the Board was restructured it was talked about having six At-large members that would be recommended by the Governance Committee and approved by the Board. There was a very lengthy discussion regarding these positions and some names were tossed about as to whom those individuals could possibly be. The Governance Committee asked Jim to address the Board and ask them if they felt there was any areas that needed to be addressed. Of the Board makeup we have the County Commissioner from each county, the economic development person and a third member from each county. Right now that is five Private Industry Representatives and one Education Representative. We didn't know if the Board had any thoughts or suggestions as to where they felt there was an area we needed to address. We are looking for suggestions.

Jodi Foster thought perhaps someone from the local municipality should be involved, whether it's a council or board member. A discussion ensued and it was suggested that perhaps a COG chair, who represents many municipalities, would be a good choice. Or perhaps it would be a township or borough member to represent each county.

Just think about it and send your recommendations to Jim. We just want the Board to be diversified and also the persons must be willing to serve and attend the meetings.

DISCUSSION

North Central Health Insurance

Our health insurance is up for renewal as of July 1. Our broker went out and got quotes from UPMC, Highmark and CCAP. When he first approached Highmark our increase would be 21% which was out of the question both from the standpoint the company couldn't absorb such a high increase and it wasn't fair to expect the employees to pay. He went back and Highmark came down to a 10.98% increase but that also increased the deduction from the current \$1350/\$2700 to \$2,000/\$4,000. However the benefits are the same as what we now have and once the deductible is met, everything is covered. UPMC came in at the same, but there was a co-pay even after the deductible was met.

We are grandfathered into the plan with Highmark and if we were to leave them, we would be out on our own. Our insurance is high because we have less than 50 employees and that makes a difference.

Directors and Officers Liability Insurance

North Central's D&O Liability Insurance came up for renewal in January and we carried a \$5 million D&O policy. In discussions with Deb Thompson and associates of hers, as well as other LDDs across the Commonwealth and with our current insurance agent, the conclusion we arrived at was that was a significant amount and it also represented when we had Workforce and our budget was about doubled. Moving from when Workforce was here and we were paying slightly over \$10,000 a year for the annual premium, we dropped it down to about \$9,300. Now by dropping the D&O Liability Insurance down to about \$3 million we dropped the policy about another \$1,600. In discussions with the Governance Committee, it was recommended Jim bring this to the Board's attention to let them know we did this. And from what we can see in regards to policy limits, it still a fair amount of policy. In the future if we decide to reduce this again when it is time to renew in January, we will bring this up prior to the renewal date to see if that is acceptable to the Board.

North Central Enterprise, Inc.

There were questions brought up regarding how North Central works with North Central Enterprise, Inc.

NCE is a 501(c) (3) organization that has its own Board of Directors. In the past with we have always been able to say there are no common board directors. However currently we do have one common member. Eric Wolfe is the Chair of the NCE Board, as well as being the Private Industry Representative for Elk County on the North Central Board.

North Central Enterprise basically builds, leases or rehabs industrial properties in our six county region.

As far as shared items between the two organizations, we have one staff member that is shared between the two and that is Randy Main. He codes his time appropriately depending on where he is working and that is how he is charged to the particular organization.

NCE pays North Central to do the books for them through our Administrative Cost Allocation plan. Every month we do their Accounts Payables and run their share of the payroll. Any costs that are shared between the two organizations, a check is cut at the end of every month to reimburse the other organization for those costs.

Outside of that there is no shared activity between North Central and NCE. Jim sits on the NCE Board, not as a member, but more of an ad hoc member and is not a voting member.

There was a question in regards to reimbursement of staff. Outside of Randy Main, who directly codes his time to either North Central or NCE, there is no reimbursement of anyone else out of NCE.

Another question was if there is a conflict of interest with people sitting on both Boards.

Potentially and that is one thing Jim forgot to mention during the Governance Committee portion. That Committee is working on a Conflict of Interest Policy, specifically for instances such as this, but for any Board member and/or employee that may have a conflict of interest. They are working on a plan and Tom Beveridge has already reviewed it and didn't see any real issues with it. We are going to look to implement it in the very near future. That will be the next recommendation from the Governance Committee. It will basically apply to everyone, including Eric, because there is potential for there to be activity that could benefit North Central Enterprise. There hasn't been any recent but potentially there could be, as well as any other Board member serving on other boards.

When asked if there is no financial connection, there is no financial connection other than the fact of what's owed monthly and most of it has to do with Randy's time.

FUTURE MEETINGS

We did the approval of the Governance Committee's recommendation of the virtual meetings in the off-months, which would make the next virtual meeting June 24.

The next regular Board Meeting is scheduled for Wednesday, July 22 at 9:30 AM. Do we want to have this meeting in person or still virtual? We have had much success with the virtual meetings but think people probably want to consider having in-person meetings again. We will still offer virtual capabilities for these meetings. We are still looking at upgrading our Zoom equipment. We just received approval for that through our PREP Grant. We are hoping to have more upgraded equipment to be able to see everyone.

Jeff said to plan for the July 22 meeting to be an in-person meeting in Ridgway and offer Zoom capabilities.

The Virtual off-month meeting dates are:

June 24

August 26

October 28

December 16 – Original date would be December 23 but changed because of Christmas.

Now that the region is in the 'green' phase Jeff asked what the plans are for reopening the NC Office.

Right now from that Jim understands with the 'green' phase is they still are recommending that if you can work virtually that you continue to do so as much as possible. We're loosening up as far as allowing staff in to do more of their work as needed. We decided, as a Management Team, to give it until the end of June to see how things are and to see whether we start to open up. If we do, Jim sees targeting maybe July 1 as a date that we start to look at fully opening back up to the public.

Jim asked if anyone is opening up sooner.

Kristy Smith said that Unilec is opening June 1. However they all have their own offices and masks must be worn when they leave their office. Temperatures are taken when they come. She isn't sure if the lobby is opening on June 1. They will still use the drop boxes for payments. If people don't have their own offices it will be different. The linemen have two offices which are very large but are still encouraged keep social distancing. The linemen are in 'pods' where there are three or four linemen and they only work with these people. They will keep the pods for a while because there are two linemen in a truck and they must sanitize everything.

Regarding the counties, Jefferson never shut down completely. They limited everything to appointments only and whatever office someone wanted to go to, they would be stopped at the front door and someone from that office would escort them with a mask to that office and escort them back to the door. They are still talking about what they are going to do come June 1. Their courts have continued to operate, even the magistrates to some degree. Each county throughout the Commonwealth has operated a little differently. They have everyone back in Jefferson County.

Nancy Grupp said that Potter County has been partially shut down. The main building has been closed except for appointments but they are planning on opening on June 1. The courts were semi closed and opened up fully today (May 27) and have full court dates. There may be several people who will continue to work from home only because they have compromised immune systems. Other than that, everyone will be back on June 1.

Regarding Cameron County, Ann said they will probably follow the same suit. They have been locked down and seeing people by appointments only. She thinks they will loosen that up but she has to talk to the other commissioners as they have not been able to meet and figure out how they are going to do this.

Elk County has tentative reopening plans for Wednesday, June 3. They had considered June 1 but with Primary Election Day June 2 and the Courthouse would be closed, they decided on June 3. Elk County is unique as the courthouse under the direction of the judge. All the other departments are in the Annex Building so what is going on with the Courthouse, isn't necessarily the same as the Annex. There will be some standard restrictions for face coverings in the common areas.

When McKean County went to the 'yellow' phase they opened so people coming in didn't necessarily have to have an appointment although it was encouraged. They have gone with scheduling appointments to come in to a large extent. They are looking at opening on Friday unless the Governor has a reason they can't.

Jim thanked everyone for sharing what they are doing to reopen.

Jeff asked Deborah Pontzer if she had any comments.

Deborah wanted to commend the group for moving forward with the EDA program. A lot of the very small businesses were lost in the Paycheck Protection Program and in the Disaster Loan Program. Some of those that did apply applied back in April and still have not received any funding. That critical working capital money is fundamental to getting our economy jump started.

She also wanted to let people know that they are working with a small group on the CDBG and looking to see if they can get a waiver on the low and moderate income so more money can be deployed quickly. There is a CDBG CV and would like to take advantage of those resources.

Jim brought to her attention another opportunity that the Congressman and Deborah are working on. It is money that has already been granted but a match has not been matched. She is speaking specifically of ARC and USDA. They know there is a need that has been vetted already by government and they are looking to see if they can get a waiver on the amount that is needed to match. Maybe in some cases, no match at all or reduced to 5%. We know many localities are not able to come up with the match that is required.

They continue received calls on the PPP and the Disaster grants. Someone pointed out that the small groups didn't have the human capital to respond as quickly and those are the entrepreneurs that don't have an accountant or attorney who could walk them through it as quickly so they missed out on a lot of that funding. Regarding the PIDA working capital, that was gone within five or six days as was PPP and we missed many of our very needy people.

Matt appreciates Deborah looking into this at the Federal level with CDBG and she might know this, and the other approached Matt said they looked into was the waiver would get us to the same place but didn't know whether or not the Urgent Need National Objective is a possibility. Reading it, it says "designated only for activities that alleviate emergency conditions, floods, tornadoes, etc." Matt doesn't know if the global pandemic would be categorized as an urgent need but he thinks that could even be a more direct way to identify those dollars without having to go through the LMI or the Slum/Blight. Thank you for looking into it.

Deborah responded that what they are trying to do is we know that up to 30% can possibly be that and they do know that urgent need is COVID because they came out with a COVID amount. What they want to do is in that process see if they can't get the waiver for LMI so that more can be used for urgent needs.

Jeff thanked Deborah for her participation in our meeting.

Amy stated the virtual meeting for the Coordinated Human Service Plan meeting is coming up on June 18. A flyer has been sent to the Board for their information.

Jim asked what is going on with the State Budget. We have been hearing a lot of not so good information coming from our sources as far as anywhere from a 30-50% cut because of the revenues being down for the first quarter. Have you heard anything different or anything you can share with us? Jim said we had received a proposal from the House that was moving on to the Senate and there were significant cuts across the board on a lot of programs.

Jeff heard on the new was he believes they are just looking at doing a preliminary six-month budget now and then working on the yearly budget.

Jack Matson was pulling up the latest information. They are saying there are going to be cuts across the board. \$3.9 billion revenue shortfall. It looks like they are trying to get a \$26 billion budget put together. Other than that not much more information.

We all have to anticipate some cuts and we don't know from what side they will be cutting. Human Services will probably be cut.

Jeff thanked everyone for participating in the meeting.

ADJOURN

With no additional items to be discussed, Chair Pisarcik called for a motion to adjourn. Kristy Smith moved to adjourn the meeting, seconded by Nancy Grupp. The meeting adjourned at 10:45 AM.

Respectfully submitted,

Padraic McGrath, CPA
Secretary/Treasurer