



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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North Central Board Meeting Wednesday, November 18, 2020 – 9:30 AM

Members – in person or via Zoom

Ann Losey	Cameron County
Dave Glass	Clearfield County
Kristy Smith	Clearfield County
Jodi Brennan	Clearfield County
Matt Quesenberry	Elk County
Jodi Foster	Elk County
Eric Wolfe	Elk County
Jeff Pisarcik	Jefferson County
Jack Matson	Jefferson County
Jamie Lefever	Jefferson County
Tom Kreiner	McKean County
Jeremy Morey	Jefferson County
Doug Morley	Potter County

Staff - in person or via Zoom

Jim Chorney
Cheryl DePanfilis
Christine Perneski
Katie Geci
Ed Matts
Jennifer Hibbard
Mary Lou Jessop

Guests via Zoom

Deborah Pontzer	Congressman Glenn Thompson's Office
Dr. Jill Martin-Rend	BC3@Brockway
Deb Thompson	Strategy Solutions
Tom Beveridge	Solicitor
Brian Stockman	Ridgway Record/Daily Press

Chair Pisarcik called the meeting to order at 9:30 AM 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 September 23 and October 28, 2020, Board Minutes, Dave Glass moved to accept the minutes as presented, seconded by Jodi Foster. Motion passed.

NEW BUSINESS

Financial Reports

Jim stated the budgets for all programs are being finalized and should be ready for the December meeting.

With no comments or questions on the September Financial Reports, Kristy Smith moved to accept the Financial Reports as presented, seconded by Doug Morley. Motion passed.

A95s

Jim stated that 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 people an opportunity to voice their concerns either for or against the project. This is an informational process only that requires no voting.

With that, A95 2751 was reviewed, which is for Burnside Township, Clearfield County, for the purchase of a Dodge 550 4x4 Dump Truck with plow.

Correspondence

There was no Correspondence.

Purchases

There were no Purchases.

Resolutions

There were no Resolutions.

Loans

Muccio Sports Complex LLC, St. Marys, Elk County, has requested a loan in the amount of \$100,000 from the USDA Intermediary Relending Program for 15 years at 1.75% for construction of a 7,800 sq. ft. metal steel building to be leased by area sports teams, including Beimeel Baseball and Titan Wrestling. North Central's collateral will be second mortgage on real estate subject to the first mortgage of First Commonwealth Bank; assignment of leases and rents, as well as the personal guarantee of the owners.

Chairman Pisarcik called for a motion to approve the loan to Muccio Sports Complex LLC.

Ann Losey moved to approve the loan to Muccio Sports Complex LLC, seconded by Jack Matson. Motion passed.

Richards Truck Service LLC, Rockton, Clearfield County, has requested a loan in the amount of \$25,000 from the EDA CARES Act RLF for 7 years at .75% for the purchase of equipment to perform auto repairs

and state inspections. The business is diversifying by expanding services to perform auto repairs and state inspections as a long-term recovery plan from the adverse impact on the business from COVID-19. North Central's collateral will be first lien security interest on equipment to be purchased, as well as the personal guarantee of the owner. Three jobs will be retained.

Chairman Pisarcik called for a motion to approve the loan to Richards Truck Service LLC.

Dave Glass moved to approve the loan to Richards Truck Service LLC, seconded by Jack Matson. Motion passed.

Jenn received notification from Kevin Oknefski that he will be retiring from Northwest Bank December 31, 2020, as well as retiring from the Loan Review Committee where he has been a member for over 20 years.

Regarding the EDA CARES Act Revolving Loan Fund, Jenn gave a brief overview of what we have available and what we are doing.

The program was introduced about two weeks ago as a soft introduction. We sent the fact sheet out to our PREP network, the CEDS Committee as well as to the Loan Review Committee for them to distribute to other lenders for their information and awareness.

We haven't gotten too aggressive with marketing this yet but Jenn is planning on doing so within the next month or two.

Right now this is a trial period making sure we have everything in a row as there are going to be some different processes in place.

As soon as the word got out, Jenn started receiving inquiries as well as a few loan requests and Richards Truck Services was one of them.

Jenn has another loan request for Monday that she was able to get expedited, review process and approval from the Microloan Committee. It is another \$25,000 loan to a business in Clearfield County.

What she has seen so far is the majority of the projects seem to be from Clearfield so far. She has had some inquiries from some businesses in Cameron County. She thinks she may have received one or two in the Bradford Area.

She has more work to do to market this program and get the word out. We are committed to taking this money and trying to set aside \$300,000 so each county has an opportunity to access these funds. We don't want to see it up for grabs and be concentrated in one area.

We have until June of 2022 to get these funds out; however, EDA would prefer that by June of 2021 we have at least half of the \$1.76 million lent out to borrowers. If we see in a county there is no need or interest in these funds, we do have the flexibility to take those dollars and put them to use in another county that may have more of a demand for the funds. We will be monitoring this very closely.

Counting today's application to Richards Truck Service, this is our third loan approved and she does have the fourth one. We closed one in Elk County for Bright Smiles Dental Care for \$80,000 for the purchase of equipment. We have one committed for \$110,000 to Division Quality Components in Clearfield County and then the other two that are \$25,000 each.

What Jenn is seeing the demand for is a little bit of everything; however, what she is seeing the most request for is equipment. It is either someone who is trying to diversify their business to perhaps offer more products; or there are some businesses that have some existing equipment, that before COVID they were looking to replace in 2020, but with the impact of the pandemic and some of the downturn they have had for a few months and are starting to recover, at least this loan fund is going to be a way to provide some affordable financing for them. We are not charging any fees except for the legal documents that are done. Jenn has worked out a fee structure with Tom Beveridge's para-legal, which will not be too much of a burden on the borrowers.

We are seeing some requests for working capital as well as real estate, where someone needs more space and they might need to acquire a piece of land or another building to provide space that is needed perhaps for social distancing.

As to the request amounts, people seem to be very responsive to what we are marketing to be an expedited review and approval process for loan requests of \$25,000 or less. Jenn commended the Board for taking the Loan Review Committee's recommendation that we expedite those loan requests especially due to the amounts and urgency of the funds so they are not having to wait for the long turn-around time to wait for those funds.

Jenn had a request for the entire \$300,000 for their county but that is not going to happen. It will be interesting to see what else comes about. She is happy that we were able to design this fund in a manner that it's going to respond to a number of challenges as a result of COVID-19, not just one challenge in particular that maybe just loss of revenue.

That is why we tried to make this fund as broad as we possibly could. The key with this fund to be eligible for is the project has to either respond to, prevent or prepare for the COVID-19 pandemic or the economic injury as a result of that.

The loans are not an answer to everything, but hopefully we will be able to help a few people out. The loan application is on our website. Interested applicants are highly encouraged to complete and submit the [Loan Pre-Application](#) or contact Loan Program staff to discuss the project to determine eligibility prior to submission of a full application. If your project is determined to be eligible, complete the [EDA CARES Act RLF Loan Application](#) and submit it with all required information to jhibbard@ncentral.com

The only thing that is not eligible would be under this fund is construction. EDA would require that any construction projects use Davis Bacon wages and that is probably not a good fit for this.

That is where we are at with the Revolving Loan Fund. Included in the mailing was a copy of the EDA CARES Act Revolving Loan Fund flyer. If you think there are any businesses that may be interested or could benefit, please feel free to pass this along to them and contact Jenn.

Jim also added this is pretty open as to what qualifies. We think of COVID and we tend to think of all the negative things that happen and the negative reasons for taking a loan out which would be working capital or things of that nature. There are a lot of other things that we can do with these funds and if a business happens to be thriving because of this, or needs to expand, then there is opportunity within this loan fund as well. The rates are very favorable at this particular time.

Jenn feels we would have been doing a huge disservice if we had limited this fund to just one use. Someone doesn't necessarily have to negatively be impacted by COVID. Jenn is looking at a couple of things right now where someone has been positively impacted by COVID and needs to expand.

From Clearfield County's perspective, Dave Glass noted that Clearfield County had a tremendous response to their Small Business Grant application process. However, they had to turn a lot of them away for various reasons and those are pretty good candidates to come to Jenn he believes. And he believes one already has been in contact with Jenn.

Jenn said it wasn't the one she presented today but it's another one that was just approved on Monday through the expedited process so she will present it at the December meeting.

Jenn also mentioned that something else with this fund and Dave mentioned that the counties have the CARES Act funds and it is on the application that the applicant does need to disclose if they received other Federal aid, i.e. CARES Act grant, SBA or PPP Loan or the EIDL loan. It would not stop them from applying for our EDA CARES Act fund. She has to make sure that whatever the loan request is for is not for the same purpose so they are not double-dipping.

Dave said with the number of people they had to turn down applying for the CARES Act funds this is a place where we can tell them to contact you because most of them was because they didn't show in that loss year over year for whatever reason. Or they had a PPP loan that took them above where you could still help them where the county couldn't.

The loan isn't going to be the answer for everyone. Hopefully it will be a good option for some businesses. One of the challenges with this fund is that risk involved because we are trying to be a little more lenient with our underwriting yet still trying to exercise prudent and responsible lending practices as well.

Any of the counties that have seen some of the CARES Act applications for grants that maybe weren't eligible, this could be an alternative.

Broadband

Jim reported that North Central was awarded a \$600,000 ARC POWER Broadband Grant that is a state-wide Broadband application. Along with the \$600,000 from the POWER Grant, we were also able to secure \$600,000 from the Commonwealth of Pennsylvania to be able to provide broadband service in certain areas and other areas that aren't as far along as we are to do a technical portion of the grant which is basically to do Speed Testing and Vertical Asset Study to get them ready to start doing the implementation piece.

Our piece of this application is for the North Central region is \$266,250.

Jim had Ed speak on what we specifically plan to do with those funds.

We are giving the money to the Local Development Districts. Three LDDs in the area were not ready for deployments. They're still in the early stages of getting things together to be able to do that. They are going to do technical assistance and those three areas are getting \$95,000 each.

Four areas, including North Central, are actually ready for deployments and buildouts. Everyone but us is getting \$216,250. We received some additional funds because we are administering the grant for the LDDs. That is going to put a little extra burden on paperwork management and approving everything that the LDDs are doing to get reimbursed on both sides of that.

The local part of the match, which is from the State, will be coming through us as well. It is nice that we didn't have to take money out of other programs to match the grant.

For what we are doing here we've used TestIt, Penn State Study, along with the FCC studies they have done to determine some initial areas where we are looking to do deployments. These areas may change because things have changed in the meantime and they may already have service. Some of the counties are doing some work on their own and they may deliver services before we do.

We are able to move projects around as long as they don't impact the information.

Cameron County - We still have a project pending in Cameron County for an area. We are looking at the Rich Valley Road.

Clearfield County – Ed is working a project for Clearfield County for the Houtzdale area, which should be on line December 1 or 2.

Dave Glass said they are trying to finalize their CARES allocations and they put some funds aside for Ed for that project. He asked Ed if he had an idea of what he will need from the County. To which Ed replied less than \$10,000. Dave stated they put aside a lot more than that.

Ed said the way we do the buildouts we try to save every penny we can. We don't look at wasting money.

Ed also said we are looking at Smoke Run and Adam knows where that is.

We are also doing a few projects with the Northwest Commission. One was in Clarion which is the Leeper/Tylersburg area. The tower crew happened to be in Leeper yesterday at the tower and Ed got the equipment ready and took it out immediately so they could install it while they were there so he could save on tower climbs.

Elk County – the Highland area which he thinks may change. Elk County has a few things pending with some things they are looking at buying, possibly some Cells on Wheels (COWS) which are portable towers. We may be able to do some different things with the COWS.

Jefferson County – the Desire area is the targeted area.

McKean County – Marshburg

Potter County – We don't have a project designated for Potter because Ed is going to coordinate with Tri-County Electric to see if there are any areas that they will be deficient in with what they are doing. He doesn't want to overbuild what they are already building because that is a great project. We will come up with a project for there.

That's all for our area.

We have one in Mercer County which is Jackson Center, one in Venango County which is Oil City and those may be sub-contracted out.

With all of that in mind, we have worked with the Federal Government by getting this application in. Everyone here put in a ton of work getting this all coordinated, getting information from all the LDDs and information was all over the board. Amy, Accounting, IT staff and Mary Lou put a lot of time into it and we were fortunate enough to actually get the grant. That is \$1.2 million total that will go through North Central out to other agencies and we are getting about \$50,000 for the administration of the grant.

Jim also thanked staff because they did a lot of hard work putting this together. One positive thing to take out of that is the fact that we were fortunate enough to get State dollars which is something that doesn't always happen. We are starting to see more and more of that but it isn't very consistent at this time. Jim wanted to stress that to all the counties because there are a lot of Federal dollars out there. However, the issue with the Federal dollars is there is typically a match requirement to it; but if the counties are looking to put dollars towards projects, come see us. There is a potential we may be able to double that money you have trying to put into a project because there is a lot of Federal opportunity out there right now.

Ed talked a little about identifying these projects through our Vertical Asset Study through the TestIt site, the Penn State site and some other areas. We recently formed, through our CEDS Committee, a Broadband Sub-committee. What we would like to do and encourage is that this group start looking at these projects and the data we have and prioritize projects so when these funds do become available, we already have projects pre-arranged. That is something we haven't gotten to yet with this Sub-committee but it is something we are going to continue to push, especially as more and more dollars become available.

Ed added that the Sub-committee has only met once. Adam hasn't been able to schedule another meeting because he and Ed have been out on deployments. They have been doing five or six a week. It takes a little bit of time to get the customers on board. If the on-boarding goes well, they can do three or four a day. Ed can do three or four a day but they have to be careful of who is at the residence or the business so they are comfortable going out and not worrying about COVID. That has all been working well. We meet with the people outside of their homes or business; and when we enter to do the install, maybe one person comes with us and we do social distancing and wear masks. It just takes time.

Ed has been talking about the Miola project for ever. The tower has been acquired, the fiber has been installed and the tower fellows are scheduling Monday or Tuesday to do the install in Miola. That one will be running and Leeper is coming off the Miola site. As we look at these areas that are not actually in our area, there is always revenue that comes in from all of those. The revenue stream is doing quite well. We should be good for many years of revenue keeping the internet service running.

Tom Kreiner asked what the plan is for the Marshburg area because the commissioners also have that on their hot list for the CARES Act.

Ed replied that our projects won't start until your projects are well underway. We'll probably move that to somewhere else because he knows you are covering a lot of territory with what you are doing. We will meet with the Commissioners before we decide exactly where we are going. We had to come up with an area eight or nine months ago of where we were initially going to go. Even some of the other areas that are getting money have changed projects as well.

Jim added that Ed has had several conversations with the gentleman from ARC and he has given Ed latitude in regards to changing projects as he mentioned earlier. The only stipulation is whatever the impacts we anticipate having at those locations and if we move, that the impacts are very similar.

Governance Committee

The Governance Committee is recommending to accept the nominations of Abbi Peters of the PA Wilds and Carolyn Newhouse of the Bradford Alliance to serve as At-large members on the North Central Board of Directors. The effective date for these members would be January 1, 2021, for a three-year term.

Tom Kreiner moved to accept the nominations of Abbi Peters and Carolyn Newhouse as At-large members on the North Central Board of Directors for a three-year term beginning January 1, 2021, seconded by Dave Glass. Motion passed.

DISCUSSION

The Executive Committee will be meeting at 11:00 today to review Jim's performance evaluation.

Also as per by By-laws the board members are renewed every three years. The first members to be renewed are the Commissioners. Therefore, Jim requested the Commissioners to send an email to either Jim or Mary Lou letting us know who the Commissioner serving on the Board will be as well as the alternate. We would like to have this information prior to the December 16 meeting.

Regarding the announcement that came out on the COVID-19 pandemic restrictions Jim asked the counties what they are doing in this regard.

Regarding Clearfield County, Dave advised there is so much COVID in their buildings. He said he is quarantining and there are complete departments that are out. He knows of at least seven cases so they are trying to lock down the access to the buildings and really try to get everyone to wear masks. They are seeing firsthand how quickly it can spread.

Regarding Jefferson, Jeff said they have had a couple cases, nothing as severe as Clearfield County.

Here at North Central we already had a couple cases of potential exposure. We are trying to do everything that we can. We purchased a mister and have been using that to clean the offices. We have been trying to follow the guidelines the State puts out as far as isolating when necessary, working remotely when necessary. We are still on an alternating schedule Monday, Tuesday or Thursday, Friday with Wednesday being cleaning day. It's inevitable it is going to happen and it's just a matter of how bad.

Jack agreed that everyone is either going to get it or the vaccine, so let's everyone stay safe and hope there is no permanent damage.

Regarding Cameron County, Ann said they have what they are calling four active cases and their numbers just went up a little bit. They had a case in the courthouse and had five employees quarantining. The county has really done well and she thinks it's because Cameron County is so isolated. They are talking about locking the door of the courthouse and having appointment only access. They are all still there and everyone is very diligent about wearing the masks, cleaning their offices along with the cleaning service that comes in.

Eric Wolfe attended a meeting several weeks ago with a group of business leaders in Elk County who represented about 500-600 employees throughout the county. As far as individual companies, policies seem to be pretty much across the board in terms of masks and no masks and people in the office versus out of the office. Probably the biggest impact from the business standpoint, while none of those companies specifically had an individual test positive, the contact tracing aspect of it has been a challenge as people have been forced to quarantine.

Deborah Pontzer said she hopes everyone stays safe and healthy and has a lovely Thanksgiving. It is especially a time when we need to be looking out for those who might be isolated. Anything we can do for people who may be suffering from some of the mental health depression issues, please let us keep those people in our hearts and minds as this will be a very tough holiday season for many people.

She thanked Jenn for her presentation on the EDA CARES Act Revolving Loan Fund. And if anyone has any questions about Federal funding, feel free to call Deborah at any time. She is here as a resource. She thanked North Central for all the hard work they do.

Eric asked Deborah if there was any update on the project in Clearfield County that came out of the Carbon Summit.

Deborah didn't have an update other than that the NEPL funding is definitely secured. They were supposed to have a meeting with people coming from New York in December with one of the major investors, but the meeting was put on hold due to the COVID-19 pandemic. She thinks we will hear more about it in January. She doesn't see any reason why it's not going to go forward. It's probably just been slow because of the logistics required.

Tom Beveridge said Elk County is seeing an increase in COVID cases and quarantines. They are doing a lot of hearings and cases by Zoom. He is concerned about the wave that is coming. He hopes everyone can stay safe and use whatever measures that are available.

Jim wished everyone a safe and happy Thanksgiving

The next North Central Board Meeting will be held on December 16 via Zoom at 9:30 AM to approve loans.

The next full meeting will be January 27, 2021, at 9:30 AM in person and via Zoom.

Jeff thanked everyone for participating in the meeting and wished everyone a Happy Thanksgiving.

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 Ann Losey. The meeting adjourned at 10:25 AM.

Respectfully submitted,

Padraic McGrath, CPA
Secretary/Treasurer