



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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North Central Board Meeting Wednesday, September 22, 2021 – 9:30 AM

Members – In Person or via Zoom

| | |
|-------------------|------------------------|
| Cliff Clark | Cameron County |
| Dennis McKimm | Cameron County |
| Jodi Brennan | Clearfield County |
| Matt Quesenberry | Elk County |
| Tracy Gerber | Elk County |
| Padraic McGrath | Elk County |
| Jeff Pisarcik | Jefferson County |
| Scott North | Jefferson County |
| Jamie Lefever | Jefferson County |
| Jill Martin-Rend | Jefferson County |
| Jim Sleigh | Jefferson County |
| Carol Duffy | McKean County |
| Tom Kreiner | McKean County |
| Richard Fry | McKean County |
| Susan Zook Wilson | McKean County |
| Carolyn Newhouse | Bradford Area Alliance |
| Nancy Grupp | Potter County |
| Doug Morley | Potter County |

Staff – In Person or via Zoom

Jim Chorney
Amy Kessler
Christine Perneski
Ed Matts
Samantha Mitchell
Rachel Wolfel
Jennifer Hibbard
Mary Lou Jessop

Guests – via Zoom

| | |
|-------------------|-----------------------------|
| Mirielle Burgoyne | NADO |
| Zachary Ankeny | State Senator Dush's Office |
| Thomas Beveridge | Solicitor |
| Brian Stockman | Ridgway Record |

Chair Carol Duffy 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 – July 28 and August 25 Board Meetings

With no corrections or amendments to the July 28 and August 25 Board minutes, Jeff Pisarcik moved to accept the minutes as presented, seconded by Doug Morley. Motion unanimously passed.

PRESENTATION

Jim stated that as everyone knows there is a lot of funding available and EDA has done a large portion of that. We asked Mirielle Burgoyne, Deputy Executive Director/Director of Government Relations for NADO, National Association of Development Organizations, to do a presentation to give us a high-level overview of the funding, ideas of how other areas are spending this funding and to answer general questions that the Board might have. The link is [NADO Legislative Update 9-2-21 for NC Board meeting.pdf](#).

Mirielle stated that NADO advocates for the national network of regional planning commissions across the country. They are here to support our work, be a resource for your especially as it related to economic and community development policy and issues.

Mirielle talked on several topics including some quick legislative updates, Congress's progress on the infrastructure bill, as well as the American Rescue Plan Act (ARPA) including the EDA funding as well as the state and local relief funding.

The two major inclusions from NADO's perspective in the ARPA was the \$3 billion for the Economic Development Administration and the \$350 billion State and Local Recovery Funds being administered by the Treasury Department and has allowed these relief funds to be provided to county and municipal governments, states and non-entitlement units.

The \$3 billion in ARPA for EDA is twice the amount that was in the CARES Act and is actually ten times EDA's typical annual appropriation. In late July EDA released the [Notice of Funding Opportunities](#) (NOFOs) that will guide the administration of the \$3 billion in supplemental funding the EDA received through the American Rescue Plan. That includes six different funding categories referred to as the *Investing in America's Communities* Initiative. They encourage people to apply for these funds if you are eligible. Some of the funding went out in the form of block grants for state economic development agencies and some have an emphasis on travel and tourism and outdoor recreation. A lot of funding is also available on a competitive basis. This is a good opportunity and Mirielle was happy to answer questions that the Board had.

The ARPA also includes more than \$350 billion for state, local tribal and territorial support. Titled the Coronavirus State and Local Fiscal Recovery Funds the use of these funds can be used:

- To respond to the public health emergency
- To respond to workers performing essential work
- For the provision of government services to the extent of the reduction of revenue
- To make necessary investments in water, sewer or broadband infrastructure

There has been a great deal of guidance released by the Treasury Department. Again, Mirielle said she would be happy to answer any questions.

One question that NADO has received is whether the funds can be transferred to a regional planning commission if a county or municipal so chooses. Their interpretation of the guidance is "yes, it is most likely eligible." It would help if your regional planning commission is considered a 'special purpose' unit for your

local government in your communities. It varies a little bit based on state's statutes, but NADO's general kind of blanket response is "Yes." Transfer of funds is potentially an option.

Also, in the power point are listed some great webinar recordings, especially from the National League of Cities, because NLC actually advocated for this program to come into existence. Mirielle recommended them if you are looking for more in-depth information.

Regarding the Legislative Update, we are in the midst of an appropriations process; and Congress is going to have to figure it out because the Fiscal Year ends September 30. We are likely to see a Continuing Resolution. However, there were some exciting things in the President's Budget including significant funding for the Appalachian Regional Commission as well as for EDA, much more significant than what we typically see. Even though we are probably looking at a Continuing Resolution right now, it is possible that we will see larger appropriations for things like EDA and ARC in the coming months.

The new EDA Assistant Secretary has been confirmed. She is Alejandra Castillo. She will be leading the agency and is really passionate about EDA. NADO has been working closely with her and they are excited about her leadership.

Regarding Transportation and Infrastructure negotiations, there are two key pieces and is very possible it may end up as a two-part bill. One piece would be a truly bi-partisan piece and that is the \$1 trillion package which has bi-partisan support and includes funding for highways, bridges, transit and broadband, all those traditional kinds of infrastructure.

The other piece is a more partisan undertaking which Democrats are hoping to use the budget reconciliation process to pass. This has more of those 'human infrastructure' or social spending categories.

Mirielle did mention that the reconciliation contains \$9.5 billion for EDA, an historic number. She doesn't know if we will actually see that whole number come to pass. It is likely this piece of the bill is going to get cut a bit and watered down before it gets passed. She does think we will have an Infrastructure bill in the coming weeks or months; and we are heading in the right direction of having a fairly exciting package. It just remains to be seen exactly what will get through the Congressional negotiation process.

Another thing NADO is continuing to track is the Census Urban Areas [Federal Register Notice](#) you may have seen. This potentially could have an impact on our MPOs, RPOs and RTPOs so it is something they are tracking and advocating on. This is the kind of thing NADO does in the background all the time.

Mirielle also stated there are a lot of advocacy resources on NADO's website. They are always here to advocate for you and to help answer your questions to help you make sense of all the guidance that it out.

Jim thanked Mirielle for her presentation and asked if anyone had questions for her.

Jeff stated Jefferson County did a survey of all their municipalities of projects they have hopefully ready but can't afford to do. Could we go through North Central and apply all those projects through you?

Mirielle replied that NADO's interpretation of this transfer clause is that if you have an eligible project under this Treasury Guidance, there is the potential that those funds could be transferred to an organization like

North Central, as a regional planning commission, to get their help administering some of these dollars. Whether North Central has the capacity for that, she wouldn't speak on North Central's behalf. That is one of the really difficult things across the board right now is figuring out the capacity issues. NADO's interpretation is that it is potentially allowable.

Jeff also asked if there were admin monies connected to these projects that may help North Central with staffing?

Mirielle stated there would be a way to have admin come out of these dollars. It wouldn't necessarily be a flat fee. It would have to be kind of using the OMB Code of Federal Regulations SuperCircular Uniform Guidance is what they are being told. NADO does have an analysis of the more detailed elements that would need to work that they can share.

Jeff then asked if they are anticipating any more changes through the Treasury with this funding? He said they have been following since day one and it continues to change.

Mirielle responded that unfortunately the answer is 'yes'. She anticipates additional changes. Right now they have the interim final rule; but there is going to be a final, final rule that hasn't been released yet. That truly final rule should clarify some things; and they are still waiting on that final guidance.

Jeff mentioned that a few weeks ago he heard it would be out about September 30. Have you heard that and is it still up in the air?

Mirielle is hearing that it is expected soon and that is the same timeframe she has heard.

Carol thanked Mirielle for her presentation. That is a really great resource and with it being so complex, it is nice to have a lot of information in one place.

Following the presentation from Mirielle, Jim had Rachel speak a little bit about what we are trying to do with one specific piece of the funding, the Build Back Better portion, but also in all the different funding they have.

Rachel proposed an exciting opportunity for our six-county region concerning the forthcoming American Rescue Plan Act (ARPA).

We had our CEDS meeting on September 15 and had conversations about what we could potentially do with all the EDA money that is available. We reached out to the county planners to see if they had any projects that are on the agenda, what your priorities were to spend your money from Treasury. If we could see some linkages between those potential projects why not take those projects and put a regional application to EDA which would free up that money for you to use on different categories. Unfortunately, the feedback received, because of the short timeframe from Treasury, was that not everyone had identified projects yet or the planners weren't really aware of what you, as Commissioners, were looking to do with those funds. We didn't quite get any overlapping themes or projects that had a priority in your counties.

Rachel wanted to open up a discussion to see if that was something you would be willing to discuss because the Build Back Better application to EDA is due in the middle of October. Even if we didn't submit to the Build Back Better Challenge, there are other options under EDA to apply for.

If we could come up with some sort of a regional project that North Central could apply for to be able to identify various projects that are throughout the region, not only would we get a piece of that funding that is available through EDA, but it could potentially free up resources to do other necessary projects that might fit in different categories.

In the Build Back Better application they want us to take a look at different target industries and some regional growth clusters. There are a couple ideas that have been bounced around, but without getting that input from each of the counties on what you would actually want to see, Rachel wants to try and avoid it being just a "North Central" idea of what we could possibly do that would meet the guidelines.

We want to make sure, if we put in an application for the region, it is something that would actually help each county that would want to be included. Rachel wanted to have that opportunity to have that discussion and whether it's here or you wanted to have an offline conversation to try to pull something together that would benefit the region, we would be silly not to at least try.

Jim stated that they keep referring to this funding as an opportunity of a lifetime; and he tends to agree with them because we are probably never going to see this kind of money out there again to be able to apply for projects. And as Rachel pointed out, if there is something we can do as a region, and is something you have already identified within your counties, we could potentially put an application together that would give you more money to use elsewhere. We don't want this to be a "North Central" idea.

Amy stated that the Build Back Better is in two phases. The first phase is more like identifying the issue opportunity, a \$500,000 planning component. Then if you get that money, then you are in the running to get \$25 to \$75 million to actually implement it. The \$500,000 is free money, 100% funded through EDA.

The Phase Two implementation is a 20% local match, but it is bigger pots of money that could be coming to the six-county region for a project if we can come up with something that will benefit everybody and leverage our funds to get more funds.

Just about every county has water and sewer projects as well as broadband issues. Just about every county has some overlapping themes but without getting that specific information, we can't really identify which of those would be a priority. If this is something you are willing to discuss, Rachel thinks there is a very good possibility we could put something together. In Phase One they want us to identify five-eight projects that would be implemented so there is room for a potential project in each county as long as there is a regional theme that we could build upon.

We are not going to see this kind of money, especially with broad guidelines of what could potentially be eligible, so it is definitely something to consider. We have reached out to our CEDS Committee and various committees to get input and if you are willing to share your information, Rachel would like to try and see if we could put together a strong application. There is no guarantee that we would get the

Build Back Better money, but there are those other sub-categories; and EDA is basically saying if you apply for one and don't get it, they are going to make sure they try to continue to push that application through the other sub-categories. Therefore, there is an opportunity for everyone to apply and at least get something back from it.

Carolyn asked that North Central set up a separate meeting and have each county send a representative from the area. What if each county brings someone representing water, sewer, broadband and business and have a brainstorming session to identify and prioritize and put a framework to projects to North Central would be comfortable moving ahead.

Rachel is willing to facilitate such a meeting if people are interested. That was exactly what our CEDS meeting was for, but we didn't have those specific representatives in the room for the CEDS meeting and it was on our agenda for the last two meetings and we're still not quite getting the input that we need.

Jodi Brennan asked if it would be of benefit, through the PREP Network, if wasn't there an effort to do a survey of our industry and do we have results of that to find out if there is something in common that our industries need.

Rachel wasn't aware of that at the current moment but thinks that would be a good idea.

Chris Perneski replied that they didn't survey our industries. They did COVID impacts and was mainly worker related items.

Jeff asked if these projects have to be shovel ready to put the projects in to get them going? And it sounds like it is time sensitive and how much time do we have?

Regarding the shovel ready question, Rachel couldn't say yes or no. She did add that for the first phase they want to be able to identify projects so we need to be able to have an idea of either the type of project or the area in which the project would be beneficial. Under Phase One we would do additional research to be able to hone in on the ideas we propose in the initial application.

Jeff asked what the time is on this.

Amy replied that the application for the Build Back Better Phase One is due October 19 and that is to do the planning to identify those eight or so projects that we actually want to implement. If we pick eight water/sewer projects across the region, we identify those, we get into the design and understand the concept of them with that \$500,000, then the actual construction of those improvements would occur if we get the Phase Two funding, which would be the implementation which she thinks would be another year from now.

It doesn't have to be shovel-ready as per our traditional funding sources for the first round.

Rachel did want to caution you; however, while it is a very good example that Amy said about the water/sewer projects, we also want to be competitive against the nation. And if we just chose water and sewer, in her option it is not going to be a very good application for the Build Back Better because

they are targeting regional growth clusters and want to have a focus on get the jobs, create the jobs, retain the jobs matrix. Another conversation that came out was the potential for broadband projects.

A conversation we had yesterday brought up the potential for maybe an industrial park buildout as she has heard some feedback that the industrial parks we have in the region are either full or almost at capacity. Is that something people would be interested in looking at. We have information of our different industries, which ones are growing and which ones are shrinking, is that something that could benefit the region?

We've had various projects under ARC and EDA that have to do with the supply chain or food processing that never really came to fruition. Are there projects that have been applied for in the past that haven't gotten funding that we still think are strong? With the amount of money that is available even projects that may have not had a strong presence at the state or federal level, if we could put them together as a regional project, we have a very good chance of getting some funding or at least getting some interest in it. There really aren't bad ideas at this point.

We have asked around at various meetings in the last few months and we are really towards the end of it now. With the due date coming very fast, and still not being able to nail down a specific project, this is really our last-ditch effort to say we have been talking to the people in your region, your industries, your planners, your decision-makers and it has really come down to that you represent your counties better than anyone else. You are the commissioners. You are our Board. You are the people who can make those decisions; so, if we can't get an answer from the people who are in the room here, or at least some ideas to build on, we don't have a chance if we don't actually apply. If you have ideas, please either say them here or get with Rachel after the meeting so we can continue to talk about it.

Brian Stockman, being a reporter, sees the entire county and one of the things he knows as a major problem is the OPIOID crisis. We have healthcare facilities around here, such as the Ridgway Hospital, that are pretty much empty. Would it be possible in the six-county region to actually bring a large-sized institutional treatment system into the area? That would bring long term jobs, long term treatment and a help to our communities with their legal problems and everything else. He doesn't know how it would fit in; but if you're looking for something that could provide long-term, higher paying jobs and also provide great opportunities for local counties to help with the recovery from COVID-19, which we know increased drug abuse all over the country, could that possibly fit in to one of these things.

Rachel said that is something we could definitely have conversations about, not only what you are mentioning about the potential for different treatment centers. Under Phase One we would have the opportunity to do the research into our existing healthcare network to see where it is provided, where it can be built upon. They are having conversations about the availability of halfway houses and other types of assistance so that is a category that would definitely be pursued, especially when we are talking about specific targeted industries. Healthcare is near the top of just about every list we have so those are the types of ideas that we can absolutely explore; and if it gains attraction with our counties, there is one project idea.

I know there were other ideas about potential for incubator projects across the region. There are several small ideas, but until we get the feedback from everyone to actually commit to one of them, we can't build an application to be submitted.

Regarding industrial park buildouts, Carolyn mentioned that the Bradford Airport needs infrastructure to their industrial park. She wanted to know if everyone has a project where that could be applied so they can attract and retain new businesses. Is that something people would be interested in?

She also gave a sidebar on what is happening with the Bradford Hospital as it relates to the OPIOID addiction in their community. Numerous patients were transferring from Pittsburgh to Bradford and then were discharged and they stay. In some cases, the treatments are not successful and leads to crime. She wants us to think about becoming a hub to attract people to come here for treatment and what that means from an economic standpoint. For those who are not successful coming out of the program, it taxes the city's resources and isn't necessarily positive from an economic development standpoint.

Rachel said that could be addressed to make sure those programs are strong enough to support the patients through various things like that. She's not sure that that specific concern would warrant not even attempting a project. However, that is something to consider.

Jim asked if everyone would be open to, if Rachel is able to schedule a meeting and it doesn't need to be a large group, it can be one person from each county as long as they have that conversation with their commissioners and other economic development people attending, would it be useful for Rachel to schedule a meeting, say next week, given the timeline we are looking at to try to come up with a good project to be able to do an application. As she pointed out we're willing to work on the application side of it, but we need ideas from people. Is that something everyone would be willing to entertain? It seemed like the consensus was "yes."

Carol added that we could look at the comprehensive plans as there are certain things identified there that they are planning on approving. She thinks they could look at those broadly and everything has been affected by COVID. Then we would kind of plug in how they were affected and if there is an emphasis on a certain area throughout the region. That may be a starting point.

Jim asked if Rachel could schedule a meeting and would she like us to send it out to the Board and then you (the Board) respond back to Rachel with whom you would like to attend at the meeting? Is that the easiest way to handle this?

Amy said that whomever is there has to have the blessing of the county to say 'we all agree that this is what we are going to coalesce around' and have some ideas we can put together and have the right people.

Richard Fry added that we need to put emphasis for the meeting that we have a final project or product to come out of that meeting, not just a brainstorming where we leave off and re-convene at another meeting prior to putting things together. We need to have that end state of where we are coming out of this with moving forward with an application.

Basically, by the time the meeting is set up we will have 19 days to gather all the data and material needed to put an application together. Next week is the last week of September.

Rachel will organize getting something out. If there a time next week that you definitely will not be able to attend, please let Rachel know as she wants to make sure everyone is in the room.

Carolyn suggested that perhaps do a matrix for all the counties and going across have Broadband, Water/Sewer, Healthcare, etc. If everyone could fill in at least one project in those areas that will give you an idea on the regional cluster and how far along everyone is in their level of interest and priority.

Rachel said we could and if that is what everyone agrees on. Those examples Rachel gave are her examples and she's not looking for you to give validation on her ideas. She is looking for what the counties actually want to do.

When they talk about the two phases, the one is considered like a technical assistance side to it, doing all the research, justifying what is a needed project and that is 100% Federal.

In Phase One they are going to select about 50 projects nationwide.

In Phase Two that drops down to somewhere between 20 and 30 projects out of the 50 projects selected in Phase One.

If you don't get funded there are other mechanisms to get your project funded. It may not be as big. You go through regular EDA or ARC. And there will be matching components to those.

Regarding the timeframe, Amy stated for Phase One it is October 19. That is the most critical one. That gets us in the ballgame. Phase Two deadline is March 15, 2022. They will probably notify the winners of Phase One in the December/January timeframe. And then you start applying for Phase Two before you probably finish your Phase One.

Build Back Better is appealing because of the size of the potential award in Phase Two; and they produce match requirements in it. It is going to be a competitive process, there is no doubt about it.

Amy also reminded the Board that there are other categories. Is there something we coalesce around the Tourism & Travel Industry? Is there something we coalesce around the economic adjustment programs? There are those six that Mirielle talked about on that slide. We can go after any one of them and they all have different dates. But the with the most money is due October 19.

Rachel said through conversations they have had, not every Local Development District is applying on behalf of their regions. For the most part, what we have heard the LDDs are leaning their support to other projects under various sub categories. North Central doesn't have to apply for this if we can't come up with a good idea, but we are more than willing to. It's not that we are saying we absolutely have to apply, but we should at least try to get some money into the region. If we can come up with ideas, she will try to get something set up for that meeting. There is also a one-pager from EDA that lists all of the different sub-categories for funding. She can include that as well. She encouraged everyone to look on the EDA website as there is a lot of information that would be beneficial, not only to what we are talking about here with Build Back Better, but for other organizations and local governments that are in the region to be able to apply for and get some money. Rachel looks forward to the continued conversations and she appreciates everyone's help.

Brian stated he would like to be included on that meeting.

NEW BUSINESS

Financial Reports

Regarding the Financial Reports, Jim stated there is a little bit of cleaning up that has to be done but to give you a broad overview, the first sheet in the packet is basically the whole organizational budget and expenditures. We also give you remaining and percent expended. The reports following are the departmental financials, giving you an idea how each of the departments are going. There is a little bit of cleanup that has to be done on those reports. Hopefully by the November Board meeting all those little things will be fixed.

One thing Jim did point out is later in the Board meeting we are going to have recommendations from the Audit & Finance Committee. They have the Organizational Budget. If you try to compare that to the first sheet of this, you will notice there is going to be a difference. The reason for that difference is in the Organizational Budget we take certain assumptions and put them into place. For example, the WIC Program ends September 30. In the Financial Reports you are only going to see three months of information. But looking at the Organizational Budget, we assume we are going to get the contract for the following nine months and those numbers are included in that Budget so there is a slight difference between the total budget in this report versus the Organization Budget you will be approving. As the year goes along, you will see that will start to cinque out and probably the first of January, as that is when the last of our programs actually come into play, those numbers at that point should match up.

You will continue to receive these reports on a monthly basis.

With no questions or concerns to the July and August 2021 Financial Statements, Chair Duffy called for a motion to approve the Financial Reports as presented.

Doug Morley moved to accept the July and August 2021 Financial Reports as presented, seconded by Richard Fry. Motion unanimously passed.

A 95s

A-95 2753 for the construction of a new YWCA of Bradford was reviewed. This was for information only.

Correspondence

There was no Correspondence for the month.

Purchases

There were no Purchases for the month.

Resolutions

There were no Resolutions for the month.

Loans

Jenn presented the following loans for approval:

The Laughing Owl Press Company, Kane, McKean County, has requested a loan in the amount of \$40,000 from the EDA CARES Act Revolving Loan Fund for 7 years at the rate .75 % for the purchase of equipment. The purchase of a new paper cutter to replace an obsolete patter cutter and new digital color press will increase manufacturing efficiencies and provide cost savings in production. North Central's collateral will be first lien security interest on equipment to be purchased, as well as the personal guarantees of the owners. Five full-time jobs and three part-time jobs will be retained.

Chair Duffy called for a motion to approve the loan to The Laughing Owl Press Company.

Jim Sleight moved to approve the loan to The Laughing Owl Press Company, seconded by Richard Fry. Motion unanimously passed.

Miracle Stake, Inc., Bradford, McKean County, has requested a loan in the amount of \$10,000 from the EDA CARES Act Revolving Loan Fund for 7 years at the rate .75% for the purchase of equipment. The purchasing of a tipping machine will provide the ability to manufacture the vegetable support products quickly and efficiently in-house and address the delays due to the impacts of COVID in outsourcing the assembly portion of the product. North Central's collateral will be first lien security on equipment to be purchased, as well as the personal guarantee of the owner. One job will be created within three years.

Chair Duffy called for a motion to approve the loan to Miracle Stake, Inc.

Jodi Brennan moved to approve the loan to Miracle Stake, Inc, seconded by Tracy Gerber. Motion unanimously passed.

Metaltech, Inc., DuBois, Clearfield County, has requested a loan in the amount of \$150,000 from the USDA IRP 5 for 7 years at the rate 2.5% for the purchase of equipment. The purchasing of this equipment is to automate the 3-phase process of manufacturing parts. The automation will result in efficiencies and cost savings in the production of parts that will support competitive pricing to be offered to their customers. North Central's collateral will be interest on specific equipment to be purchased with the CCIDA, as well as the personal guarantee of the owner. Twenty-seven full time jobs will be retained and three full-time jobs will be created within three years.

Chair Duffy called for a motion to approve the loan to Metaltech, Inc.

Jodi Brennan moved to approve the loan to Metaltech, Inc, seconded by Jeff Pisarcik. Motion unanimously passed

Jenn also reported that the Loan Review Committee received the resignation of Tina Kennemuth effective September 29, 2021. Tina has served on the Loan Review Committee since 2004 and is the current Vice

Chair.

Broadband

Ed reported we finally secured the last piece of our POWER Grant. It is a statewide initiative that we got \$600,000 for. We were having some issues getting the State's match to get the contract in place, and we finally got that contract in place. We will be having a meeting with all the LDDs soon to get all the projects started that will be going on throughout the State. We will be administering all the money for that.

There are a lot of things going on locally. We have been getting a lot of traction in Jefferson County in the Reynoldsville area and have done quite a few installs in that area. We are going to be reaching out to some other areas.

We have also talked with Windstream, in conjunction with Jefferson County, to see if there is some way we can partner to help get maybe some of the Windstream projects under construction sooner than later. We are trying our best to get broadband every where we can.

Audit & Finance Committee

We are in the final year of our three-year contract with SB & Company. They did a presentation to the Audit & Finance Committee on September 17 to basically go over what it is they will be doing for this year's audit. Typically if there are any changes or updates to their procedures, they'll let the group know and there wasn't any significantly changing and the Audit & Finance Committee was okay with their presentation.

There will be a presentation done by SB & Company at the end of the year to the Board with the results of the audit.

After that presentation, there were two things that were reviewed.

The first was the Organizational Budget and that was sent out this morning. Also included was the 2021 Organizational Budget as a comparison. For this year we have just over \$4.5 million available to us between our grants and local sources of funding. Right now, as far as expected Expenses, we have \$4.4 million. The difference at the bottom of almost \$130,000, a large portion of that is due to our Loan Administration program. Typically, we can take a percentage of the interest that we have collected on the loans to administer the program. Typically we would spend a majority of that; but this year we were fortunate enough to have EDA CARES Act RLF funding that allows us to charge staff's time to. The nice thing about that money we are talking about within the Loan admin is we don't lose that money. It goes back into the relending pot, allowing Jenn to add that to what she is lending out throughout the year.

The recommendation from the Audit & Finance Committee is to accept the Organizational Budget as presented on the attached sheet.

The second recommendation is for the six-member counties of North Central to support the Appalachian Regional Commission application for new grant funding. This funding is to address an issue we have talked about for some time. The funding will support increased capacity to assist local governments in advancing community planning, intergovernmental cooperation, project administration through grant writing services, grant administration and project support for Federal and State programs.

This application is for \$200,000 over a two-year period. One thing to note about this is we were informed we could request a reduction in match requirement. Typically ARC requires a 50% match. We've asked them to cover 90% of the cost and only 10% matching. We haven't heard back but we expect to hear back very soon. In doing so for the \$200,000 ask, it would be \$20,000 that we would be required to come up with in match.

The Audit and Finance Committee is recommending that the counties consider funding that at the levels shown below:

| County | 2020 Population | Percent | \$20,000 Match |
|---------------|------------------------|----------------|-----------------------|
| Cameron | 4,575 | 2.1% | \$ 418 |
| Clearfield | 80,562 | 37.1% | 7,411 |
| Elk | 30,990 | 14.3% | 2,851 |
| Jefferson | 44,492 | 20.5% | 4,093 |
| McKean | 40,432 | 18.6% | 3,719 |
| Potter | 16,396 | 7.5% | 1,508 |
| Total | 217,419 | 100.0% | \$20,000 |

We agreed upon Population as being the pro rata basis on how to distribute that. The \$20,000 again is over a two-year period, so take that number and cut it in half for the annual portion for each county.

Dave Glass, who also serves on the Audit & Finance Committee, wanted Jim to convey the message that he was in full support of this from Clearfield County's perspective.

Therefore, the recommendation is to support that matching portion by each of the counties based on the pro rata basis.

When asked when the money would be needed, the funding would be available November 2021 and go through December 2023. We don't know if that is when it will get approved but that is what we are targeting.

With no other questions, Chair Duffy called for a motion to approve the Audit & Finance Committee's recommendations to the Board to approve the Organizational Budget as presented and the application for the ARC as presented.

Jeff Pisarcik moved to approve the Audit & Finance Committee's recommendations to the Board to approve the Organizational Budget as presented and the application for the ARC as presented, seconded by Richard Fry. Motion unanimously passed.

Jim mentioned that copies of the Annual Report are available and will be mailed out to those not present. It is also posted on North Central's website.

Jim introduced Samantha Mitchell, our new HR Director. Samantha started on September 13.

The next Board meeting will be held on Wednesday, October 27, 2021, at 9:30 AM via Zoom to approve loans, if required.

Otherwise the next board meeting will be Wednesday, November 17, 2021, at 9:30 AM in person and via Zoom.

ADJOURN

With no other business, Chair Duffy called for a motion to adjourn the meeting. Doug Morley moved to adjourn the meeting, seconded by Jeff Pisarcik. The meeting adjourned at 10:45 AM.

Respectfully submitted,

Padraic McGrath, CPA
Secretary/Treasurer