



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

49 Ridgmont Drive, Ridgway, PA 15853

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**North Central Board Meeting
Wednesday, April 28, 2021 – 9:30 AM**

Members – via Zoom

Ann Losey
Cliff Clark
Dennis McKimm
Dave Glass
Jodi Brennan
Jodi Foster
Padraic McGrath
Jeff Pisarcik
Jamie Lefever
Jim Sleigh
Carol Duffy
Jeremy Morey
Susan Zook Wilson
Doug Morley
Abbi Peters
Dr. Jill Martin-Rend

Cameron County
Cameron County
Cameron County
Clearfield County
Clearfield County
Elk County
Elk County
Jefferson County
Jefferson County
Jefferson County
McKean County
McKean County
McKean County
Potter County
At-large PA Wilds
At-large BC3@Brockway

Staff - via Zoom

Jim Chorney
Amy Kessler
Chris Perneski
Jenn Hibbard
Julie Kasmierski
Shelly Caggiano
Ed Matts
Mary Lou Jessop

Guests – via Zoom

Sheila Sterrett
Tom Beveridge
Brian Stockman
Christine Holtz

U.S. Senator Toomey's Office
Solicitor
Ridgway Record
Bradford Era

Chair Carol Duffy called the meeting to order at 9:31 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.

NEW BUSINESS

Loans

Rich Valley Wines LLC, Emporium, Cameron County, has requested a loan in the amount of \$22,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 7 years at the rate .75% for purchase of equipment. The project focuses on setting up a mobile/outdoor option to sustain and grow the operations as the business adapts to industry restrictions imposed from COVID-19. The equipment to be purchased includes a concession-style trailer, ice maker, wine slushy machine, air conditioning unit and refrigeration unit. North Central's collateral will be first lien security interest on equipment to be purchased well as the personal guarantee of the owners. Two full times jobs will be retained.

Chair Duffy called for a motion to approve the loan to Rich Valley Wines LLC.

Abbi Peters moved to approve the loan to Rich Valley Wines LLC, seconded by Ann Losey. Motion passed.

Chihuahua Estates LTD, St. Marys, Elk County, has requested a loan in the amount of \$50,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 7 years at the rate of .75% for purchase of equipment. The loan request is for the purchase of equipment to be leased to the owners' affiliated business BR&R Co. (Brandy Camp Creamery). The business is a startup venture that was formed as an opportunity to provide a permanent location/storefront for the creamery with adequate space to manufacture their ice cream and capacity to be open year-round and provide indoor/outdoor seating for patrons. In addition to supporting the sustainability and growth of the creamery, the owners have formed the entity for diversification and increased revenues by providing three units on the second and third floors of the building to be renovated for short-term rentals through Airbnb for tourists visiting the area. North Central's collateral will be first lien security on all business assets, as well as the personal guarantee of the owners and BR&R Co. guarantee. One full time will be retained and two new full time jobs will be created within three years.

Chair Duffy called for a motion to approve the loan to Chihuahua Estates LTD.

Jodi Foster moved to approve the loan to Chihuahua Estates LTD, seconded by Jeff Pisarcik. Motion passed.

Thomas L. Dugan d/b/a Rock Hill Cabins, Weedville, Elk County, has requested a loan in the amount of \$100,000 from the Appalachian Regional Commission Revolving Loan Fund for 15 years at the rate of 2% for the purchase of real estate. Purchase of Rock Hill Cabins which is an existing business providing overnight accommodations to tourists visiting the Elk viewing area. Property consists of three rentals including a house, a cabin and park model. North Central's collateral will be second mortgage on real estate subject to first mortgage in favor of CNB Bank, as well as the personal guarantee of the owner. Two new jobs will be created within three years.

Chair Duffy called for a motion to approve the loan to Thomas L. Dugan d/b/a Rock Hill Cabins.

Solicitor Beveridge stated there is litigation involving Mr. Dugan and Rock Hill Cabins. He isn't at liberty to discuss. He is the solicitor for Benezette Township and thought Jenn should be aware of it and perhaps some additional information might be necessary from Mr. Dugan.

Jenn wondered if CNB was aware of this because they have already provided the financing for this. In the loan application they ask the applicant to certify that there are no judgements against the applicant, not currently involved in any law suit, etc. So, this was news to Jenn.

Tom asked Jenn if she knew who the sellers were and who owns the property now.

Jenn replied that the sale has gone through and Mr. Dugan is the owner. The previous owners were Denny and Barb Cunningham.

Tom replied it is the same lawsuit.

Under recommendation of our solicitor the loan was tabled until further information is obtained.

Tom isn't aware of whom Mr. Dugan's attorneys are. Tom was in touch with the Cunningham's attorney and thinks we should ask for additional information because if the property was owned by the Cunninghams at the time of the incident and their insurance is responsible for this, then Mr. Dugan would be okay. If there isn't some form of liability insulation, any judgement against Mr. Dugan as a result of this lawsuit, his ability to repay any monies that North Central would put out would be in jeopardy.

Jenn will be following up on this to get additional information.

Jeff Pisarcik made the motion to table this loan until further investigation is carried out, seconded by Ann Losey. Motion passed.

J.I.T. Tool & Die, Inc., Galeton, Potter County, and Kersey, Elk County, has requested a loan in the amount of \$68,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 7 years at the rate of .75% for purchase of equipment. Purchase equipment that will support recovery efforts from the adverse impacts of COVID-19. A mill will be purchased for \$8,000 for the Kersey, Elk County, location for opportunities to machine proprietary material. The project will also finance the purchase of machinery located at their shop in Galeton, Potter County, that is currently leased. North Central's collateral will be first lien security interest on equipment to be financed, as well as the personal guarantee of the majority owners. Thirty-eight full time jobs will be retained.

Chair Duffy called for a motion to approve the loan to J.I.T. Tool & Die, Inc.

Jodi Foster moved to approve the loan to J.I.T. Tool & Die, Inc, Inc., seconded by Doug Morley. Motion passed.

J.J. Kennedy, Inc., Ridgway, Elk County, has requested a loan in the amount of \$70,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 3 years at the rate of .75% for the purchase of equipment. Purchase Pearson Model P-10-15W Hot Water System as a replacement to hot water system at Ridgway location. The current hot water system recently broke down and needs replacement to continue production of ready-mix concrete. Financing of this replacement equipment will support continuation of operations as they recover from the impacts of the pandemic. North Central's collateral will be first lien security interest on Pearson Model P-10-15W Hot Water System, as well as the

personal guarantee of the majority owner. Eighty-five full time jobs (five in Ridgway) will be retained.

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

Jeff Pisarcik moved to approve the loan to J.J. Kennedy, Inc., seconded by Jodi Foster. Motion passed.

Gateway #1, LLC, DuBois, Clearfield County, has requested a loan in the amount of \$100,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 10 years at the rate of 1.75% for the purchase of commercial real estate. Purchase commercial real estate where the business currently operates the Gateway Café. The owner has been leasing the property since acquiring the business in 2017. Ownership of the property will eliminate the monthly lease payment and provide substantial savings in operational costs that will support recovery efforts from the adverse impacts of the pandemic on the hospitality industry. North Central's collateral will be shared first mortgage on commercial real estate and UCC filing on business assets shared with the DuBois Area EDC loan amount of \$44,000, as well as the personal guarantee of the owner. Eight full time will be retained and two new full-time jobs will be created within three years.

Chair Duffy called for a motion to approve the loan to Gateway #1, LLC.

Dave Glass moved to approve the loan to Gateway #1, LLC, seconded by Jodi Brennan. Motion passed.

William D. Lorenzo d/b/a Lorenzo's Logging, Kane, McKean County, has requested a loan in the amount of \$150,000 from the Economic Development Administration CARES Act Revolving Loan Fund for 5 years at the rate of .75% for the purchase of equipment. Purchase of a 2022 Western Star Log Truck which will support the expansion efforts of the operations that have been delayed due to the adverse impacts of COVID-19 on the industry. 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 full time jobs will be retained and one new full time job will be created within three years.

Chair Duffy called for a motion to approve the loan to William D. Lorenzo d/b/a Lorenzo's Logging.

Dennis McKimm moved to approve the loan to William D. Lorenzo d/b/a Lorenzo's Logging, seconded by Abbi Peters. Motion passed.

Purchases

Jim stated that several weeks ago Randy approached him regarding the two doors at the end of the building being rented by Keystone Rural Health. The doors are metal and are rusting out due to salt and old age which is causing them to not close properly. Because of the safety issue and the length of time it would take to get the doors installed they went ahead and placed the order.

Therefore, Jim was requesting retroactive approval of the purchase the doors. The cost for the two doors, including material and labor, is \$13,300.

Chair Duffy called for a motion to retroactively approve the purchase of the two doors.

Dave Glass moved to approve the retroactive purchase of the doors, seconded by Jeff Pisarcik. Motion

Dave added that they talked at the Audit and Finance Committee a little about this. It was brought up that there hasn't been money for maintenance and there hasn't been anything done to the building in the past, as well as nothing has been budgeted. He feels strongly that that is a trend that needs to change. If you don't pay attention to maintenance you are going to end up with much bigger bills later. This may be the first of many smaller scale capital improvements that need to come down.

Jim appreciated Dave saying that. In the past we haven't had the ability to be able to do that. With Keystone Rural Health as our tenant, it has provided us the opportunity, instead of putting band aids on things, to actually look to fix them correctly. This is one of those items and we have a couple other projects. After conversation yesterday with the Audit and Finance Committee, we are going to be putting a budget together to present to them which will then ultimately come to the Board to talk about, not just what our immediate needs are, but what our long-term goals are for the building as well.

With a motion being made and seconded, Carol asked the vote from the Board. Motion passed.

Audit and Finance Committee

The Audit and Finance Committee met on April 27, 2021, regarding the Form 990 Return of Organization Exempt from Income Tax which must be submitted by May 15, 2021.

Two minor changes need to be made before being submitted. One is to update the Board members to 2020, which the auditors are updating. The other was a schedule that has a list of contributors which are our PREP Partners and we need to add the dollar amounts. When these changes are made the 990 will be submitted by the May 15 deadline.

Chair Duffy called for a motion to approve the 990 as to be amended before May 15. Jim will provide a copy of the amended 990.

Jodi Foster moved to approve the submission of the amended 990, seconded by Padraic McGrath. Motion passed.

Before going into Executive Session, Carol asked if the guests had any comments.

Sheila Sterrett from U. S. Senator Toomey's office stated she was glad to be on the call and see what is going on in our region.

Brian Stockman asked if we had the breakdown on the CHIRP funding that is going out? He wondered if it would be possible to get a breakdown by county of how many loans and money have gone out to each county.

Jim reported that North Central is currently reviewing the applications for the counties. The counties gave the applicants until April 15 to have the applications submitted. We are now prioritizing and reviewing them. We will then be working with the counties to distribute the funds. Once we get to that point, we

will be able to provide you with a breakdown as far as how many loans and by county.

Before going into the Executive Session, Jim added that any board member will be asked to stay on the call to go into Executive Session.

Chair Duffy called for a motion Executive Session regarding a possible legal matter. And Jim requested that Tom Beveridge and Julie Kasmierski be in attendance as well as well as himself.

Jeff Pisarcik moved to go into Executive Session, seconded by Ann Losey at 10:07 AM. Motion passed.

Carol called for a motion to reconvene the regular meeting at 10:39 AM.

Ann Losey moved to reconvene the regular meeting, seconded by Dave Glass. Motion passed.

Carol stated that after discussion in the Executive Session, we have determined the need to make a motion to allow our solicitor to file an appeal regarding the WIC RFA denial on behalf of Potter, Cameron, Jefferson and Clearfield counties.

She called for a motion on this action.

Jodi Foster made the motion to allow our solicitor to file an appeal regarding the WIC RFA denial on behalf of Potter, Cameron, Jefferson and Clearfield counties, seconded by Dave Glass. Motion passed.

The next Board meeting will be held on Wednesday, May 28, 2021, at 9:30 in person and virtual.

ADJOURN

With no other business, Chair Duffy called for a motion to adjourn the meeting. Jeff Pisarcik moved to adjourn the meeting, seconded by Dave Glass. The meeting adjourned at 10:40 AM.

Respectfully submitted,

Padraic McGrath, CPA
Secretary/Treasurer