



NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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**North Central Board Meeting
Wednesday, June 22, 2022 – 9:30 AM**

Members – via Zoom

Ann Losey	Cameron County
Dennis McKimm	Cameron County
Dave Glass	Clearfield County
Jodi Brennan	Clearfield County
Matt Quesenberry	Elk County
Tracy Gerber	Elk County
Eric Wolfe	Elk County
Jeff Pisarcik	Jefferson County
Jamie Lefever	Jefferson County
Jim Sleigh	Jefferson County
Tom Kreiner	McKean County
Nancy Grupp	Potter County
Will Hunt	Potter County
Abbi Peters	At-large PA Wilds Center
Jill Martin-Rend	At-large BC3@Brockway
Carolyn Newhouse	At-Large Bradford Area Alliance

Staff - via Zoom

Jim Chorney
Amy Kessler
Chris Perneski
Ed Matts
Samantha Mitchell
Shelly Caggiano
Jennifer Hibbard

Guests

Chair Nancy Grupp 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.

NEW BUSINESS

Audit and Finance Committee

The Audit and Finance Committee met to review the RFPs received regarding the auditing firm to perform North Central's Single Audit/990s for FY 22 through FY 24.

After reviewing and scoring the RFPs, the Audit and Finance Committee recommends the auditing

firm, SB & Company LLC, to perform North Central's Single Audit/990s for the period FY 22 through FY 24 at a total cost of \$54,000.

Chair Grupp called for a motion to accept the auditing firm, SB & Company LLC, to perform North Central's Single Audit/990s for the period FY 22 through FY 24 at a total cost of \$54,000.

Tom Kreiner moved to accept the auditing firm, SB & Company LLC, to perform North Central's Single Audit/990s for the period FY 22 through FY 24 at a total cost of \$54,000, seconded by Jeff Pisarcik. Motion unanimously passed.

Purchases

Ed has two purchases he is requesting approval on.

The first is requesting approval to purchase equipment for a Wireless Project #2 in Forest County. We are doing this project for the Northwest Commission.

The cost of the project is \$30,529.75 from Mobilcom. This will be paid out of the Keystone Community Grant. All equipment is purchased on the COSTARS contract.

Chair Grupp called for a motion to approve the purchase of equipment for a Wireless Project #2 in Forest County. We are doing this project for the Northwest Commission. The cost of the project is \$30,529.75 from Mobilcom. This will be paid out of the Keystone Community Grant. All equipment is purchased on the COSTARS contract.

Matt Quesenberry moved to approve the purchase of equipment for a Wireless Project #2 in Forest County, we are doing this project for the Northwest Commission, seconded by Jim Sleigh. Motion unanimously passed.

His second is requesting approval to purchase equipment to finish the Keystone Community Grant. The equipment will be used in Jefferson County, Clarion County and the Cook Forest area.

The cost of the equipment is \$69,325.50 from Mobilcom. This will be paid from the Keystone Community Grant. All equipment is purchased on the COSARS contract.

Chair Grupp called for a motion to approve the purchase equipment to finish the Keystone Community Grant. The equipment will be used in Jefferson County, Clarion County and the Cook Forest area. The cost of the equipment is \$69,325.50 from Mobilcom. This will be paid from the Keystone Community Grant. All equipment is purchased on the COSARS contract.

Jeff Pisarcik moved to approve the approval to purchase equipment to finish the Keystone Community Grant, seconded by Dave Glass. Motion unanimously passed.

Resolutions

Amy presented three resolutions for board approval.

Resolution #22-06-3068 was presented. North Central has conducted Air Quality Conformity of the FFY-2023-2026 North Central Transportation Improvement Program and 2050 Integrated Mobility 2050 Long Range Transportation Plan for Clearfield County in accordance with the Clean Air Act Amendments of 1990.

This Resolution serves to certify that the 2023 TIP and the Integrated Mobility 2050 LRTP, including the Air Quality Conformity determination report, were adopted by the North Central Pennsylvania Regional Planning Organization on June 14, 2022.

Will Hunt moved to approve Resolution #22-06-3068 which serves to certify that the 2023 TIP and the Integrated Mobility 2050 LRTP, including the Air Quality Conformity determination report, were adopted by the North Central Board of Directors on June 22, 2022, seconded by Ann Losey. Motion unanimously passed.

Resolution #22-06-3067 was presented. This Resolution is that North Central is charged with developing a fiscally constrained Transportation Improvement Program (TIP). The FFY 2023-2026 TIP has been fiscally constrained and approved by the Transportation Planning Committee on June 14, 2022.

The North Central Pennsylvania Regional Planning and Development Commission's Board of Directors hereby approves the FFY-2023-2026 Transportation Improvement Program for final submission to the PA Department of Transportation (PennDOT), Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA).

Ann Losey moved to approve Resolution #22-06-3067 approving the FFY-2023-2026 Transportation Improvement Program, seconded by Will Hunt. Motion unanimously passed.

Resolution #22-06-3069 was presented. This Resolution is that North Central is charged with developing a Regional Long Range Transportation Plan; and the Integrated Mobility 2050 LRTP has been approved by the Transportation Planning Committee on June 14, 2022.

The North Central Pennsylvania Regional Planning and Development Commission's Board of Directors hereby approves the Integrated Mobility 2050 LRTP Plan for final submission to the PA Department of Transportation (PennDOT), Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA).

Jeff Pisarcik moved to approve Resolution #22-06-3069 which approves the Integrated Mobility 2050 LRTP Plan for final submission to the PA Department of Transportation, Federal Highway Administration and the Federal Transit Administration, seconded by Dave Glass. Motion unanimously passed.

Amy thanked everyone that had these documents at their locations.

Loans

Bugling Bull LLC, Benazette, Elk County, has requested a loan in the amount of \$84,000 from the Pennsylvania Industrial Development Authority (PIDA) for 10 years at 3.5% for property renovations. Interior and exterior renovations for the conversion of property to a retail gift shop that will sell gifts, memorabilia and other items relating to outdoor recreation and nature-based themes for the elk viewing area/PA Wilds. North Central's collateral will be first mortgage on real estate located at 104 Winslow Hill Road, Benazette, as well personal guarantees of the owners and corporate guarantee of Kunes Castle Corporation. Two full-time jobs will be created within three years.

Chair Grupp called for a motion to approve the loan to Bugling Bull LLC.

Jim Sleight moved to approve the loan to Bugling Bull LLC, seconded by Dennis McKimm. Motion unanimously passed.

Rich Valley Wines LLC, Emporium, Cameron County, has requested a loan in the amount of \$18,000 from the EDA CARES Act Revolving Loan Fund for 7 years at .75% for the purchase of equipment. Purchase of a storage shed that will provide designated storage space while eliminating the need to continuously move items and will free up the space for both indoor and outdoor operations. North Central's collateral will be first lien security interest on equipment to be purchased, as well as the guarantees of the owners. Two full-time jobs will be retained.

Chair Grupp 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 unanimously passed.

Jenn gave a brief background to the next recommendation by the Loan Review Committee regarding W&H Machine Shop Co. Inc. This is a loan that has been in default, and we started the foreclosure process about a year and a half ago on this company. There has been resistance from the borrower throughout the entire foreclosure process; and some other issues have prolonged this process that we still have not made it to the foreclosure part.

There is a very motivated buyer that the owner has agreed to sell the building to. The buyer is located next door to this property and has an existing business. He is going to be expanding his business and is probably the only person that would want this property.

In the meantime, the borrower has offered us \$125,000 to settle this debt. Where we are right now is the amount that is due to North Central is a little over \$130,000. That includes about \$13,000 in legal fees that have been incurred through March 12. Jenn is anticipating our final bill from our attorney who is working on this to be another \$2,000.

In talking internally and with the Loan Review Committee it would be in North Central's best interest to accept this offer of \$125,000. Our fear, if we keep moving forward with the foreclosure process, not only would be the behavior of this borrower and him continuing to prolong this process, but the additional legal fees that we would incur with the cost of foreclosing on the property, and then taking possession of the property and expenses incurred with that, including maintenance, appraisals, utilities, paying taxes, trying to sell the property, etc. Also, if we keep prolonging the process, we may

lose the interest of that prospective buyer. The \$125,000 gets us to close to what is owed; and if we continue to prolong this, we are going to incur legal fees and other expenses to the point where we will not get that yield from taking possession of this property and selling it.

Jim added that we have had several discussions regarding this and from our perspective we felt this was a very legitimate offer. Not knowing how much more we could potentially incur in costs, this gets us probably as close as we are going to get whole regarding this.

Jenn thinks the amount to be charged off would be around \$5,00- 7,000.

Therefore, the Loan Review Committee recommends accepting an offer of \$125,000 to settle the account of W&H Machine Shop Co. Inc., St. Marys, Elk County, and charge off the remaining balance. The total amount due as of June 15, 2022, is \$130,855.72, which includes legal fees of \$12,912.47 incurred through March 12, 2022, from the legal action initiated in December 2020 to foreclose on real estate.

Chair Grupp called for a motion to accept an offer of \$125,000 to settle the account of W&H Machine Shop Co. Inc., St. Marys, Elk County, and charge off the remaining balance.

Jeff Pisarcik moved to accept of \$125,000 to settle the account of W&H Machine Shop Co. Inc., St. Marys, Elk County, and charge off the remaining balance, seconded by Ann Losey. Motion unanimously passed.

Jenn added that we submitted a request to EDA to de-federalize our EDA Revolving Loan Fund we have had for over 35 years. A few days ago, we received notification that EDA has approved our request so those funds will be de-federalized. In the coming months we may have more flexibility with that loan fund. We will be working on some initiatives in the future to really expand what we can do with those funds.

Jim had several things to discuss.

Since the May 25 board meeting, quite a lot has happened.

At the May meeting the Board approved North Central to pursue financing and give Penn Highlands to okay to move forward with basically booking the road project for in front of North Central that is shared by North Central, Elk County 911 and the Penn Highlands facilities behind 911.

On June 2, we were notified by the low bidder, which was BK Asphalt, that their prices were rising and that was from a quote provided on approximately April 9. The price was going up by \$39,000. Penn Highlands reached out to the second highest bidder to find out what their cost increase would be.

Unfortunately, while we were waiting for those numbers, the air conditioning in the NC Building went down. It is unrepairable so it will have to be replaced. We reached out to some contractors to see what the cost would be. The system that currently cools the building is an air chiller that is on the roof. It's an old system and none of the contractors recommended replacing that chiller. They are

recommending what are called mini splits, which have smaller condensing units and are units that attach inside the walls in the offices. They felt that would be more efficient and create a little bit of redundancy because if the system goes down, it is only in that particular room or several rooms, rather than the entire building.

We continued to reach out to them and give them information as far as what we felt would be most appropriate to have regarding BTUs in each of the rooms and received quotes from them.

In the meantime, St. Marys got back to us regarding the paving project. Currently their bid is only going up \$7,800 which would take their total up to \$187,800, where the BK bid was going to go up to about \$209,000. St. Marys Paving can't lock that price in. He's saying the price may go up again. In conversations with Penn Highlands and Matt Quesenberry from Elk County, Jim is trying to lock something in. The best they are going to be able to do for us is give us a new quote when they can lock the price in at the time they can do the construction work, which would be late July, early August.

We hope the price won't go up too much but if it does, we will have the ability to be able to say 'no' at that point. Sometime after July 1 Jim is hoping we will be able to get a better price for the Board as far as what the cost is going to be.

We ended up getting costs back for the air conditioning units. We gave the contractors some latitude on how they bid on the project and then realized there were options out there. So, we revised it and told the contractors specifically what we are looking for and asked for re-bids regarding this information. They got new information back to us.

At the same time Jim was trying to keep the Audit and Finance Committee up to date, but things changed very quickly. There was a question regarding how things were bid out. We wanted to make sure we were following the rules, so Jim reached out to our solicitor and got confirmation that everything we were doing was consistent with our policies.

What we currently have are three bidders, Allied Electric, Epic Heating & Cooling and Gary and Sons Heating & Cooling who provided bids to us. The low bid was \$31,700 provided by Allied. That bid is strictly for the office space and excludes the Teleconference Room. That was done intentionally because to cool the Teleconference Room is going to cost more money and we weren't sure if we were going to have enough to be able to cover those costs.

On June 7 North Central Enterprise had a board meeting at which Jim presented some of the issues we are having. At that point we knew about the air conditioning unit and new about some of the price increases. We requested a loan from NCE in the amount of \$150,000. They are going to be our best option regarding financing. They were willing to do a loan at 3% interest for basically a five-year loan on a 10-year amortization. They will adjust the interest rate after five years up or down as necessary. It was a very reasonable rate and we felt comfortable with it as well as comfortable with the agreement we came to with NCE.

We looked at that price and built in some contingencies. We figured the cost of the road may go up. We weren't exactly sure about the prices on the air conditioning. We were figuring about \$100,000 for the road project and hopefully that is worst case scenario and \$50,000 for the air conditioning.

That is where we stand with this.

What Jim would like to be able to do today, and the Audit and Finance Committee is aware of it, but we didn't get a chance to vote on it because we were trying to find some additional information for them. There isn't an official recommendation, but Jim would like to get approval from this Board to accept Allied's bid of \$31,700 to provide air conditioning and to allow them to start the work installing the air conditioning in the office. The way prices continue to change and change very quickly, it's difficult to gather all that information, provide you with it and then before you even have a chance to vote on it, the price is changing on us.

Therefore, Jim is asking for a little bit of flexibility when it comes to the loan we have from NCE to pay for the air conditioning at \$31,700 and have the Board vote specifically on that and the remainder of the funds allow us to, once the pricing is set for the road project, start making adjustments to what we are paying for. At the end we will provide the Board with a detailed breakdown of where the money was specifically spent. Jim doesn't want to have to keep coming back to the Board with pricing. For example, if we waited to do the air conditioning, the next time we have a meeting is July 25 which means they wouldn't be even starting work until August sometime. We have to be able to move fairly quickly with these things. We are following all the proper procedures but things are changing on us very quickly.

Jim wanted to bring this to the Board and get your perspective on this.

Ann wanted to know why the contractors don't think we should replace the actual chiller.

The chiller is an old system which basically uses the same water as our heating system. It just goes up on the roof, runs through a giant water tank and is cooled. It is a very inefficient system, so they don't recommend doing that. Also, the new units they are recommending have redundancy built into them. The initial quote the gentleman gave us for replacing the chiller was going to be about the same price as the split units at this time.

Tom wanted to know if all three companies bid the same work because Jim said Allied didn't bid the Teleconference Room.

All three bid the same, but the first time they bid it a little differently based on what they thought was best for us in our building. When we went back to them and asked them about the wall units, everyone agreed that they were the cheaper version. Jim and Ed sat down with a map of the building and basically told them what we wanted them to bid on. We told them each office and the BTUs we expected in each office; and everyone came back and bid specifically on that. What Jim wanted to do is be able to compare apples to apples. They all bid comparable equipment and comparable work. There wasn't anything omitted, they all bid on the same thing.

The only thing that is different with the bids is the systems they are using as far as the brands, but they all have comparable warranties on them. Two quoted on brand names Jim isn't necessarily familiar with; however, they do have warranties on them.

Tom note that someone bid Mitsubishi equipment just replaced at their 911 Center and said it was a

six-month leeway to try to get that particular company.

Jim said AirTemps was Epic's and AmeriStar is what Allied was bidding. Jim did a little research on it because he wasn't familiar with the company. The parent company is Ingersoll Rand. They own that, American Standard and there was one other air conditioning company they own. Jim talked to the owner of Allied and he is very comfortable with the equipment. He's installed it, Jim believes, in a school in Kane and hasn't had any problems with it.

Chair Grupp asked for a motion to accept the low bid of \$31,700 from Allied to replace the air conditioning units as Jim described.

Dave asked if we are going to do a separate vote on the loan?

Jim replied that after the last Board meeting, the Board basically just said it was up to us to find the best financing.

Dave said that was fine and made the motion to accept the low bid of \$31,700 from Allied to replace the air conditioning units as Jim described, seconded by Jim Sleigh. Motion unanimously passed.

Jim thanked everyone because he's sure there is going to be some happy people here in the building because it is starting to get warm. There are two offices that have older split units, Ed's and Chris's, so people are frequently visiting those offices.

Jim will let the Board know as the road project progresses; and if we get to the point where we feel we have enough savings to be able to do the Teleconference Room, he will bring that in as a separate bid.

Jeff said if you don't know, and maybe Abbi and Jamie can help him out, on Monday Root Stock Racing left Jefferson County and is a team racing event. They have been in every one of our counties all week going through different things. Jeff said this morning they have been in Cameron and Potter. It's interesting to watch these racers and are very lucky to have them in our region. Hopefully they will come back.

Abbi said they were excited to be able to work with the organizers of the race to have this opportunity that they could bring people in from across the country to be able to go throughout the region.

Jamie said when she talked to the organizer, he said he couldn't believe how beautiful this area is and how untapped it is and they will be back. There will be a big wrap-up afterwards and she is excited to see where all they have been.

Jeff asked Jamie to give everyone the website to follow them if they have time throughout the day. rootstockracing.com and you can see where the teams are. They have to find things by reading a map.

The next Full Board meeting will be held on Wednesday, July 27, beginning at 9:30 AM. This meeting will be in Person and Virtual.

ADJOURN

With no other business, Chair Grupp called for a motion to adjourn the meeting. Nancy moved to adjourn the meeting, seconded by Jeff Pisarcik. The meeting adjourned at 10:15 AM.

Respectfully submitted,

Padraic McGrath, CPA
Secretary/Treasurer