

**SOUTHERN ALLEGHENIES PLANNING AND DEVELOPMENT COMMISSION
BOARD OF DIRECTORS MEETING**

November 20, 2019

Commission Office

Convened: 10:00 A.M.

Adjourned: 12:00 P.M.

Members in Attendance:

Hon. Ted Beam
Mr. Jay Cessna
Mrs. Sharon Clapper
Hon. S. Paul Crooks
Hon. Barry Dallara
Hon. Bruce Erb
Mr. Jim Foster
Hon. Josh Lang
Mr. Tom Luciano

Hon. Rodney McCray
Ms. Beth McGregor
Hon. Jeff Thomas
Hon. Pamela Tokar-Ickes
Hon. Stuart Ulsh (via conference call)
Hon. Gerald Walker
Hon. Scott Walls
Mr. Arthur Wilkin
Hon. Mark Wissinger

Others in Attendance:

Mr. Daniel Bowers
Mr. Brandon Carson
Mr. George Gvozdich
Mr. Steven Howsare
Mr. Jeff Kent

Mrs. Trudy Mitchell
Mrs. Deborah Prosser
Ms Deborah Shaffer
Mr. Dustin Starr
Mrs. Susan Whisler

CALL TO ORDER:

Commissioner Erb, SAP&DC Board President, called the meeting to order at 10:00 A.M.

MINUTES, SEPTEMBER 18, 2019:

A motion was entered by Commissioner Lang to approve the September 18, 2019 Board of Directors meeting minutes, as presented. The motion was seconded by Mrs. Clapper and was unanimously approved.

PRESENTATION OF FY 2019 SAP&DC SINGLE AUDIT:

Mr. Daniel Bowers, Director of Finance, introduced Mr. Jeff Kent and Mr. Dustin Starr of Maher Duessel, who then provided a summary overview of SAP&DC's Financial Statement/audit for Fiscal Year 2018-2019.

Mr. Kent stated that the audit process went very smoothly due to the cooperation and assistance provided by SAP&DC staff. He and Mr. Starr then provided an overview/summary of the audit procedures and financial statement. Mr. Kent further stated that the audit resulted in “unqualified opinion”, with no findings.

Mr. Bowers reported that a copy of the Form 990 will be provided to all Board members for comment prior to filing.

A motion was entered by Mr. Wilkin to approve SAP&DC’s Fiscal Year 2018-2019 Audit and submission of SAP&DC’s Form 990 following review by the Board of Directors and contingent upon no comments/concerns being received prior to December 13, 2019. The motion was seconded by Commissioner Thomas and was unanimously approved.

Mr. Bowers reminded member that the Fiscal Year 2019-2020 audit will be the third year that Maher Deussel will conduct SAP&DC’s Single Audit.

Mr. Bowers explained that SAP&DC is required under State guidelines to go through a Request for Qualifications process for audit services every three years. Mr. Bowers plans to start this process in the Spring of 2020 in order that the process is completed by the end of this current fiscal year, June 30, 2020. He further explained that the length of multi-year contracts is limited to (3) three years. No multi-year contracts may be extended past this three-year period without being re-bid through the normal competitive process. Under SAP&DC’s Accounting Policies once an existing auditing firm has had (6) six consecutive year contracts, they may not re-bid during the cycle immediately following that sixth-year contract.

Mr. Bowers was pleased with how the Request for Proposal process has worked and plans to follow that process again for the Fiscal Years’ 21, 22 & 23 audits. Maher Deussel will be eligible to “bid” on again for another three-year period. He will keep members updated as the process moves forward.

A motion was entered by Mr. Wilkin to authorize beginning the Audit Services Request for Proposals process in the Spring of 2020. The motion was seconded by Commissioner Wissinger and was unanimously approved.

FINANCE REPORT:

Mr. Daniel Bowers, Director of Finance, presented and reviewed the Accounts Payable and Bank Accounts Summary included in the Board packet and reported no changes to the information provided.

A motion was entered by Mr. Wilkin to approve the Accounts Payable and Bank Accounts Summary, as presented. The motion was seconded by Commissioner Crooks and was unanimously approved.

BUSINESS LENDING REPORT:

Mrs. Trudy Mitchell, Business Lending Director, presented and reviewed two loan applications that were submitted to and reviewed by the Commission's Loan Review Committee: Forrestdale Farm, LLC and McVicker Properties LLC. Both applications, as presented this date, were approved by the Loan Review Committee for submission to the Board of Directors for concurrence.

A motion was entered by Commissioner Walker to concur with the actions taken by the Loan Review Committee, as presented. The motion was seconded by Mrs. Clapper and was unanimously approved.

MUNICIPAL FLOOD RESILIENCY PROGRAM:

Mr. Brandon Carson reported that due to the proximity to waterways and increased runoff from development, significant portions of municipalities in the Southern Alleghenies Region are impacted by flood plains. The frequency and magnitude of flood events and losses are notably increasing; and, the federal government has recognized the current model of flood insurance protection with significant federal subsidization is no longer viable. The cost of flood insurance is scheduled to increase and will have a significant impact on municipalities and their residents.

SAP&DC was previously awarded funding from the PA Department of Community and Economic Development to identify and assist a community in the region with flood resiliency planning. Utilizing flood data and mapping SAP&DC staff created a short list of communities to target for this effort. Based on discussions with the targeted communities, it was determined that Duncansville Borough, Blair County, was a good candidate and is interested in the program.

A Request for Proposals was advertised in order to competitively procure a consultant to assist Duncansville Borough and a total of four responses were received. Following a review of the proposals it is recommended to contract with Tetra Tech, Inc. to complete the scope of work at a cost not to exceed \$17,500. All project work will be completed prior to June 30, 2020.

A motion was entered by Commissioner Thomas to approve Tetra Tech, Inc. as the consultant to assist Duncansville Borough with flood resiliency planning, as presented. The motion was seconded by Commissioner Dallara and was unanimously approved.

SOUTH CENTRAL PA BROADBAND INFRASTRUCTURE FEASIBILITY STUDY:

Mr. Carson reported that SAP&DC was awarded \$50,000 in POWER funding from the Appalachian Regional Commission to complete an analysis of broadband infrastructure in the region. In addition to the six counties in the Southern Alleghenies Region the proposed study area also includes Westmoreland And Fayette Counties. Each of the eight participating counties have agreed to provide \$6,250 in matching funds. The study will identify unserved and underserved areas, as well as the level of services currently being offered in the region. The analysis will also assess community bandwidth needs, determine the best technologies for deployment, provide cost estimates for deployment strategies and investigate the viability of forming a broadband cooperative.

A Request for Proposals was released, and SAP&DC received a total of three responses. The proposals were reviewed by the Leadership Subcommittee of the Broadband Task Force and the Subcommittee met on Thursday, November 14th to interview each of the three firms. Following the presentations and follow-up discussion members scored the proposals. Based on the scoring, it is recommended that Design Nine be awarded the contract to complete the study. The budget for this project is \$100,000. Design Nine is able to complete the scope of work for \$73,250; but, provided cost options for additional surveys and outreach that can be utilized as needed during the study. It is, therefore, recommended that SAP&DC contract with Design Nine to complete the approved scope of work at a cost of \$73,250 with the ability to authorize up an additional \$26,750 for supplementary work, as needed. Total payment on the contract may not exceed \$100,000 and work will be completed in approximately five months.

A motion was entered by Commissioner Thomas to award the Broadband Analysis Study to Design Nine and a total cost not to exceed \$100,000. The motion was seconded by Commissioner Tokar-Ickes and was unanimously approved.

CORRIDOR N (U.S. 219) COMPLETION ANALYSIS AND IMPACT STUDY UPDATE:

Mr. Carson reported that SAP&DC was recently awarded \$75,000 in funding from the Appalachian Regional Commission to coordinate an economic impact analysis for the completion of the remaining miles needed to connect U.S. Route 219 in Somerset with Interstate 68 in Maryland. The study is expected to provide a comprehensive and qualitative analysis of the impacts to businesses, regional freight, economic development, etc. of completing the roadway.

A Request for Proposals was recently advertised, and SAP&DC is currently soliciting responses to complete the analysis. Proposals are due to SAP&DC by November 20, 2019, and a joint meeting of the Rural Transportation Technical and Coordinating Committee will be held on December 4th to interview qualified respondents. The intent of the study is to use the information to inform a potential joint Infrastructure for Rebuilding America application between Maryland and Pennsylvania. These applications have been historically due in April, so in order to complete the analysis in advance of a probably due date, an electronic vote will need to be conducted to award a contract for the study following the December 4th meeting. All work on the study will be completed prior to March 31, 2019.

2024 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY UPDATE:

As an Economic Development District under the U.S. Department of Commerce's Economic Development Administration (EDA), SAP&DC is required to maintain an active and up-to-date Comprehensive Economic Development Strategy. The CEDS functions as a roadmap for economic development and includes a list of goals, objectives and strategies to help guide investments in the region.

EDA requires that the strategy document be updated every five years to ensure the data and analysis are relevant to the current economic climate of the region. The 2015-2019 CEDS was completed in June of 2015 and is currently due to be updated. Staff began the process of updating the data and analysis for the plan earlier this year.

A draft update of the 2020-2024 document was provided to the CEDS Committee in advance of their meeting on October 1, 2019. Based on the discussion and input at the meeting, revisions were made to the draft document. Following a required public comment period, staff is recommending adoption of the updated document which is available for review on SAP&DC's website. Following adoption, the 2020-2024 CEDS will be provided to the EDA for final review and approval.

A motion was entered by Commissioner Walker to approve the 2020-2024 CEDS, as updated. The motion was seconded by Commissioner McCray and was unanimously approved.

BROADBAND PILOT UPDATE:

Mr. Carson reminded members of a potential wireless project that was discussed at the September SAP&DC Board of Directors' meeting. This project proposed a "Broadband Pilot" project to overcome the gaps in high-speed broadband internet and reliable cellular service for rural areas of the region. Broadband and cellular service was identified as one of the top critical issues identified in the recently completed regional comprehensive plan.

He then updated members on the pilot program stating that the Planning staff have continued vetting the concept and are also actively working to identify additional sites in the region where a demonstration project could be conducted. SAP&DC has \$10,000 in unrestricted funds that can be used towards their portion of the cost for the demonstration project. Following Mr. Carson's update lengthy discussion was held regarding the pilot demonstration program, the cost and the issues with getting high-speed connectivity in rural areas.

SOUTHERN ALLEGHENIES WORKFORCE DEVELOPMENT BOARD REPORT:

Mrs. Susan Whisler, Director, Southern Alleghenies Workforce Development Board (SAWDB), reported that State and federal requirements include the maintenance of agreements between the CEOs/LEOs (Commissioners), Fiscal Agent (SAP&DC) and the Southern Alleghenies Workforce Development Board.

Currently, the SAWDB-LEO Agreement which outlines the responsibilities of each as they relate to the administration of the local system and the CEO-Fiscal Agent Agreement which outlines the responsibilities of the Commission as fiscal agent on behalf of the CEOs as recipients of the state and federal workforce funding are up for renewal for the period November 20, 2019 through December 31, 2023.

The documents were emailed to the commissioners and chief clerks on October 28th for review, and if necessary, county approval. The only change to each is an update of the agreement dates.

A motion was entered by Commissioner Walker to approve renewal of the SAWDB-LEO and CEO-Fiscal Agent Agreements, as presented. The motion was seconded by Commissioner Crooks and was unanimously approved.

OTHER BUSINESS:

- Mr. Steven Howsare, SAP&DC Executive Director, reported that Mr. George Gvozdich, SAP&DC Solicitor, has agreed to continue to represent the Commission as both its general counsel and revolving loan program legal counsel for Calendar Year 2020 at the same rate as in 2019, that being \$15,000 for each function. Mr. Howsare noted Mr. Gvozdich has been counsel with SAP&DC since the mid-1980's.

A motion was entered by Commissioner Walls to approve retaining Mr. George Gvozdich as SAP&DC's general legal counsel and revolving loan program legal counsel at the rate of \$15,000 for each function, as presented. The motion was seconded by Mr. Wilkin and was unanimously approved.

- Mr. Steven Howsare, SAP&DC Executive Director, stated that in 2006 the Commission approved undertaking a position classification and compensation study to better reflect then current job descriptions and their underlying program requirements. The goal of the study was to correct classification and compensation deficiencies and disparities, and hopefully, retain staff as well as improve new employee recruitment.

When completed, the Board chose to adopt a vastly improved classification plan, and a new compensation schedule. Salaries were adjusted accordingly, and this is the plan of record to this day. This plan expanded position classifications and established much improved starting salaries, while at the same time establishing maximum salaries (caps).

It was always intended that these new salary ranges for each position would be adjusted periodically for inflation or cost-of-living; however, because Commission revenues have not increased dramatically, this

was never done for obvious financial/budgetary reasons. Also, employees historically have been regularly granted above average annual percentage increases over the annual inflation rate.

Since 2009, inflation has totaled 17.05%, therefore it is requested that the Board of Directors consider approving an increase to the minimums and maximums for each range by a given percent as an adjustment for inflation since the current compensation plan was approved. If this were done, and as with past practice, any employee with a salary below the (new) starting salary for his/her classification would receive an adjustment to the minimum for his/her respective position. Finally, with new, higher maximums, this would delay the number of staff whose salaries are at risk of being capped. If approved the new compensation schedule would be put in place beginning July 1, 2020 and those receiving increases to bring their salary to the new minimum would not receive any further increase for Fiscal Year 2021. Those employees currently above the new minimums will be eligible for any increase granted by this Board at its budget meeting scheduled for Wednesday May 20, 2020.

A motion was entered by Mr. Wilkin to approve the ten-percent increase to the minimums and maximums of SAP&DC's current compensation scale beginning July 1, 2020. The motion was seconded by Commissioner Lang and was approved with Commissioner Thomas opposing.

- The SAP&DC 2020 Holiday List was presented for approval by the Board of Directors.

A motion was entered by Mrs. Clapper to approve the 2020 SAP&DC Holiday List, as presented. The motion was seconded by Commissioner McCray and was unanimously approved.

Mr. Howsare provided members with a copy of the SAP&DC Board of Directors meeting schedule for 2019 and announced that the January 15, 2020 Annual Board of Directors meeting will be held at the Greater Altoona Career and Tech Center, Altoona, PA and serves as the Annual Reorganizational Meeting.

Mr. Howsare also announced that an orientation for the newly elected commissioners will be held on Thursday, December 19 beginning at Noon. A light lunch will be provided.

ADJOURNMENT:

There being no further business the meeting was adjourned at 12:00 PM.

Respectfully submitted,

Josh Lang

Secretary