

**SOUTHERN ALLEGHENIES PLANNING AND DEVELOPMENT COMMISSION
BOARD OF DIRECTORS' MEETING
May 15, 2019
Commission Office**

Convened: 10:00 A.M.

Adjourned: 11:30 A.M.

Members in Attendance:

Hon. Ted Beam
Hon. S. Paul Crooks
Hon. Barry Dallara
Hon. Bruce Erb
Mr. Jim Foster
Hon. Josh Lang
Mr. Rick Leese
Hon. Rodney McCray

Ms Beth McGregor
Hon. Mark Sather
Hon. Jeff Thomas
Hon. Stuart Ulsh
Hon. Gerald Walker
Hon. Scott Walls
Mr. Art Wilkin
Hon. Mark Wissinger

Others in Attendance:

Mr. Daniel Bowers
Mr. Brandon Carson
Mr. George Gvozdich
Mr. Steven Howsare
Ms Regina Klevan

Mrs. Trudy Mitchell
Mrs. Deborah Prosser
Ms Deborah Shaffer
Mrs. Susan Whisler

CALL TO ORDER:

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

MINUTES, MARCH 20, 2019+:

A motion was entered by Commissioner Walker to approve both the March 20, 2019 Board of Directors minutes, as presented. The motion was seconded by Mr. Foster and was unanimously approved.

FISCAL YEAR 2018-2019 SAP&DC OPERATIONAL BUDGET:

Mr. Wilkin, Chairman, Finance Committee, reported that at the Finance Committee meeting held earlier this morning, SAP&DC's Fiscal Year 2019-2020 Operational Budget was approved and recommended for presentation and approval to SAP&DC's Board of Directors. He then turned the discussion over to Mr. Bowers.

Mr. Daniel Bowers, Director of Finance, explained that for Fiscal Year 2019-2020, SAP&DC's budget was again prepared and designed through a collaborative effort with all members of SAP&DC's management team. He reported that the process went smoothly due to the hard work and cooperation of all management team members.

Mr. Bowers then provided members with a summary of items included as part of SAP&DC's Fiscal Year 2019-2020 budget and reviewed the budget in detail. Mr. Bowers also stated that the budget contained a proposed 3% wage increase for employees.

He provided information on some new revenue streams and explained that of a \$9.2 million budget approximately \$7.3 million goes back into the region in the form of direct services while only \$1.7 million is used for administrative/overhead costs.

A motion was entered by Mr. Wilkin to approve SAP&DC's Fiscal Year 2019-2020 Operational Budget, as presented. The motion was seconded by Mr. Leese and was unanimously approved.

FINANCE REPORT:

Mr. Bowers presented the Accounts Payable and reported no changes to the information submitted. He also provided a summary of available Commission funds and reported that SAP&DC and provided detailed information on those funds that experienced larger than normal changes.

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

BUSINESS LENDING SERVICES:

Mrs. Trudy A. Mitchell, Director, Business Lending Services, reported that efforts to collect and further money for the remaining balance on the debt incurred by William G. Anderson/Anderson Electronics is futile. The PA Department of Community & Economic Development (DCED) has, therefore, requested that SAP&DC submit a charge-off request for the William G. Anderson/Anderson Electronics loan.

A resolution adopted by SAP&DC's Board of Directors approving the charge-off is required prior to submission to DCED. Mrs. Mitchell presented a resolution authorizing the charge-off of the William G. Anderson/Anderson Electronics loan for adoption by SAP&DC's Board of Directors.

A motion was entered by Mr. Wilkin to approve the charge-off of the William G. Anderson/Anderson Electronic's loan as presented. The motion was seconded by Commissioner Beam and was unanimously approved.

PREP STATUS REPORT:

Mrs. Deborah Prosser, Director, Business Development Services, explained that under the Southern Alleghenies PREP program SAP&DC is engaged in a number of activities to retain and expand existing businesses in the region. She then presented and reviewed a report summarizing the performance of SAP&DC's core and regional specific components under its Appalachian Regional Commission and Commonwealth-funded programs through the third quarter of FY 2018-2019. With only a few exceptions, all programs are on target to meet their goals. These programs represent the largest single revenue source within the Commission's operating budget and support much of the Commission's economic and community development efforts

START UP ALLEGHENIES STATUS REPORT:

Mrs. Prosser, Director, also reported that the Start-Up Alleghenies program, is still taking off in a big way" and surpassing all expectations. Mrs. Prosser took time to briefly review the goals and outcomes of the program to date. She also provided information on the profiles of the type of individuals who are pursuing entrepreneurship and a detailed list of the type of businesses being pursued by these individuals.

She further stated that several entrepreneurs have been awarded a "step-up grant" of \$3,500. The Entrepreneur Coach is responsible for selecting and advocating for their respective client to receive a step-up grant, but final approval must be received by a majority vote from a five member private sector committee that reviews each proposal.

The next step for some of those individuals ready to "take off" with their product/service is finding funding avenues. The Angel Fund being established in our area is a perfect vehicle for assisting these entrepreneurs.

The Angel Fund is now ready to launch. There are 21 investors and 36 units at \$20,000 each. The organizational meeting is schedule to be conducted in June and members will then begin looking for investment opportunities.

Creator Square is the new maker space in downtown Johnstown. An Economic Development Administration (EDA) grant has been secured and they should be going into construction shortly.

ENGAGE STATUS REPORT:

Mrs. Prosser reported that the ENGAGE Program continues to face challenges. The program is currently beginning the final quarter and, in some cases, approximately only 50% of the goal has been met. This is a performance-based contract and for every call made the relevant organization receives \$600. The calls consist of asking approximately six questions and therefore, should only take approximately one hour of the caller's

and company representative's time. Mrs. Prosser expressed concern that the application for additional monies through DCED for this program has been completed and is ready to submit, but unless the goals are met, the funding may be jeopardy. Mrs. Prosser asked members for their assistance in motivating the responsible individuals to make their required calls.

SOUTHERN ALLEGHENIES WORKFORCE DEVELOPMENT BOARD REPORT:

Mrs. Susan Whisler, Director, SWDB, announced that the SAWDB which serves as the applicant and fiscal agent for many grant opportunities made available by the PA Department of Labor and Industry, has recently been awarded grants totaling approximately \$180,000. The Business Education Partnership Grants (BEP) #3 funding runs from July 2018 through June 2019 and #4 runs from February 2019 through June 2020. These grants support activities for school age students in helping them to prepare for the transition to careers. Also awarded was funding for the second round of Teacher in the Workplace funding. This funding is available to school districts across the Commonwealth. Tyrone Area School District, Altoona Area School District and The School Districts of Somerset County each received \$50,000 for programs that create opportunities for teachers and administrators to hear and see first-hand what their local businesses need and incorporate that information into classroom lesson plans and curriculum. The performance for these funds is April 2019 through June 2020.

Mrs. Whisler also reported that 50 college students were provided internship opportunities in the Southern Alleghenies Region through the "SLIP" program. Ms Beth McGregor, At-Large member, stated that St. Francis University was pleased to have been provided an intern through the "SLIP" program

Mrs. Whisler also reported that re-entry program funds were going to be available in the near future.

On June 30, 2019, seven members of the SAWDB will have their current terms expire. All are members in good standing and have contributed to the work of the Board and are interested in remaining on the Board. These members must have their terms acted upon by the SAP&DC Board of Directors in order to remain in compliance with the requirements of the PA Department of Labor and Industry.

A motion was entered by Commissioner Walker to approve the reappointment of the members to the Southern Alleghenies Workforce Development Board, as presented. The motion was seconded by Ms McGregor and was unanimously approved.

Mrs. Whisler then explained that the PA Department of Health and Human Services, the agency responsible for programs related to welfare clients, has announced that it plans to release a Request For Proposal (RFP) for the Employment Advancement and Retention Network (EARN) program services with the purpose to procure and

administer services from Harrisburg. This represents a departure from current practices and removes all local input into service provider procurement and oversight. This raises a concern over the quality of services that will be provided to the region's residents and coordination with its public workforce system.

SAP&DC has administered the public workforce-related programs for over 40 years and, therefore, has the best understanding of the needs of its jobseekers and employers. Members asked if a resolution from each of the region's county Board of Commissioners stating concern over the Department of Health and Human Services' approach to this issue would perhaps help reverse this process. Members were encouraged to provide letters or resolutions regarding concerns with the proposed EARN program changes.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) RESOLUTION:

Mr. Bandon Carson, Director, Planning & Community Development, explained that the Economic Development Administration (EDA) requires the Commission's Board of Directors to certify that, through its meetings, there has been opportunity to review and act upon proposed EDA programming. Accordingly, a resolution in support of SAP&DC's Comprehensive Economic Development Strategy planning process and the activities undertaken by the SAP&DC for the Southern Alleghenies Region is now presented for approval.

A motion was entered by Commissioner Crooks to approve the Resolution in Support of SAP&DC's Comprehensive Economic Development Strategy planning process and the activities undertaken by the SAP&DC for the Southern Alleghenies Region. The motion was seconded by Commissioner Ulsh and was unanimously approved.

EXECUTIVE ORDER 12372 PROJECTS:

SAP&DC is designated by the Federal Office of Management and Budget (under E.O. 12372) to review requests for Federal financial assistance within its six-county service area for concurrence with relevant regional planning documents. Mr. Brandon Carson, Director, Planning & Community Development, presented and reviewed the project requesting federal financial assistance and reported it as consistent with the Commission's overall Comprehensive Economic Development Strategy.

A motion was entered by Commissioner McCray to approve the Projects under Executive Order 12372, as presented. The motion was seconded by Commissioner Beam and was unanimously approved.

OTHER BUSINESS:

Mr. Steven Howsare, Executive Director, reminded Board members that SAP&DC's office building lease will expire September 30, 2020. While he, Mr. Wilkin and Mr. Bowers are working on negotiations with the current

building's owner, considerations for purchasing the current or another building, building and/or leasing new office space should be contemplated. Mr. Howsare asked that any members interested in being part of a committee to explore options for SAP&DC's office space contact him. Commissioners Erb and Walker and Mr. Wilkin volunteered to serve as part of a Building Committee.

Further discussion was held regarding the various options for SAP&DC office space

ADJOURNMENT:

There being no further business the meeting was adjourned at 11:45 A.M.

Respectfully submitted,

Gerald Walker

Secretary