

Southwestern Pennsylvania Commission
Minutes of the Meeting
December 12, 2022 – 4:00 p.m.
Cisco Webex Meeting

The one hundred and fifty-ninth meeting of the Southwestern Pennsylvania Commission was called to order by Chairman Leslie Osche.

Members: Darin Alviano, Tony Amadio, Jenn Beer, Mike Belding, Kevin Boozel, Brad Berlin, Tom Ceraso, Douglas Chew, Ali Doyle, Rich Fitzgerald, Kim Geyer, Mark Gordon, Lynn Heckman, Mark Hilliard, Charles Jones, Fred Junko, Katharine Kelleman, Bob Lesnick, Larry Maggi, Jeff Marshall, Kevin McCullough, Leslie Osche, Johnna Pro, Mavis Rainey, Robert Regola, Aurora Sharrard, Larry Shifflet, John Timney, Diana Irey Vaughan, and Vince Vicites.

Others: Brian Allen, PennDOT District 10; Ann Ogoreuc, Allegheny County Department of Economic Development; Dusty Elias Kirk, Reed Smith LLP; and Brandon Leach, PennDOT.

Staff: Dan Alwine, Mary Brangan, Kirk Brethauer, Leann Chaney, Ronda Craig, Dom D'Andrea, Linda Duffy, Margaret Fonner, Chuck Imbrogno, Tom Klevan, Jenn Lasser, Shannon O'Connell, Ailisa Sobien, Vincent Valdes, and Andy Waple.

1. Chairman Osche called to order the December 12, 2022 meeting of the Southwestern Pennsylvania Commission.

- a. Quorum – There being a quorum present the meeting proceeded.
- b. Any Conflict of Interest Declaration on Action Items - None

2. Action on Minutes of the October 24th Meeting.

A motion was made to approve the minutes of the October 24th meeting by Commissioner Rich Fitzgerald which was seconded by Commissioner Berlin. The affirmative vote was unanimous.

3. Public Comment – None

4. Summary of 2021-2022 Audit Report – Tim Morgus/Michelle Hoke, Maher Duessel, CPAs

Tim Morgus explained that they did an audit in accordance with generally accepted auditing standards, and the uniform guidance was carried out because SPC expends more than \$750,000. SPC did have one significant accounting policy this year related to the lease standard. The lease standard required that you show an amount equal to the right to use the asset and show an amount for the operating leases payable for the future. All financial statements have estimates, but there are no significant estimates. We want to point out no significant disclosures. We want to point out no difficulties encountered and performing the audit. No corrected or uncorrected misstatements as a part of the audit, which is important because the financial statements were correct when we came in the door. So that's good news to somebody who's looking at the financial statements throughout the year. No disagreements with management. We'll obtain a management representation letter at the end of the audit simply saying that management agrees with the financial statements and this told us everything to the best of their knowledge and belief. No Consultation with other independent accountants about a reporting matter, or we made no arrangements with management prior to our retention.

Michelle Hoke explained the single audit financial statements. If you look at the independent auditor's report compared to last year's report, it is reordered slightly based on the standards that we have to follow as auditors. Your opinion paragraph is now the first thing that you see. You did receive an unmodified opinion. That is a clean opinion and the type of opinion you do want to receive as an entity. Part of the

financial statements is also your management's discussion and analysis. There is a brief summary. SPC had to adopt Gatsby 87 which is on leases. What that standard did here is require you to record a right to use asset. At June 30, 2022, it was \$354,000. It's the present value of your future lease payments. Currently, that is just the space that you're in now. Once you have the right to use your new lease space, that number will go on there as well.

Total assets were about \$12.5. Your accounts payable is up a little bit from last year, That corresponds to an increase in your accounts receivables as well. That's based on how your federal funding works. When you spend the money, then you're going to get the money. So those go hand in hand.

A statement of revenues, expenditures and changes in your fund balance compared 2022 and 2021. For 2022, you are about \$12.7 million in revenues. The biggest change there that contributions line up about a million there and that is from your broadband project. Your expenditures are corresponding also at \$12.7 million. And you'll see in the contract expenditures, that is also related to your broadband project.

On your government wide statements, you will see a change in your net assets related to this lease standard and the right to use asset and lease liability.

Then your footnotes. There's not a whole lot of excitement going on in your footnotes. Footnote 2, does tell your reader that you did adopt that standard of Gatsby 87. There are some other pending statements that are out there, none of those should impact you greatly, if at all. There's really nothing exciting on horizon, which is good. Footnote 9 does get into more detail on your leases payable. That's a little bit more expanded disclosure regarding your lease. It does disclose that you have entered into a new lease for new space. The supplemental information, the SEFA, that's your Schedule of Expenditures of Federal Awards for this year. We had to test highway planning and construction, as well as the Appalachian Area Development. And that includes your share of Shell Power grant funding, which is the bulk of that particular set of expenditures. Last year, you did have a finding on that related to reporting and sub recipient monitoring. But for this year, you did not have that finding. So that has been corrected and that is good.

As part of the single audit, there are two other reports under uniform guidance. There's a report on financial reporting and on compliance. Those were both unmodified, as well. Both clean opinions there. That's good news.

The last document is for the corporation. You do have a 190 that you have to file. There are no changes to the IRS form, it was filled out substantially. That form has been extended to May 15. We don't want to wait till then. Once these meetings are over a few documents need signed and we can get that filed for you. You'll also receive what we call a public disclosure copy. On Schedule B, it lists contributors names and addresses. Since this is a public disclosure copy, we'll remove those two things. If someone were to come in and ask to see that document, that is the document you want to give them because those names and addresses are not subject to public disclosure.

5. Long Range Plan and Public Participation Update – Dom D'Andrea/Ronda Craig

Dom gave an update on the development of the Long Range Plan. Under Policy Level Reviews: The Long Range Plan of vision goals and strategies were reviewed by the county planning directors and our policy committee to determine the need for any updates. That initial review is completed and we'll be looking to finalize these at some upcoming workgroup meetings. We work through three long range planning development workgroups. This includes SPC staff, PennDOT district and central office staff, your county planners and others. We utilize this workgroup to review current conditions and status of performance measures and develop long range needs and candidate projects. SPC will conduct screening and consistency criteria analysis to review the candidate projects and provide input to the workgroup. There's one work group per PennDOT district - Districts 10, 11 and 12 within our region, There will be between three to four rounds of workgroup meetings to come to a consensus on a draft project list for the Long Range Plan. A parallel effort with the transit operators is ongoing with the first set of meetings being wrapped up soon. Regarding Public Participation panel and public meetings, we've completed the initial PPP meetings, 10 total one, in each county. Once we have our workgroup meetings

and finalize the project list, we'll go to our Transportation Technical Committee and Transit Operators Committees for their approval. We'll conduct the federal analysis that's required in terms of environmental justice and air quality conformity, all in the hopes of bringing you the Long Range Plan, We'll have our 30-day public comment period bringing you an updated a Long Range Plan in June of next year.

Asset Management and Safety continue to be key focus areas for the region with additional federal funds for bridges under the Bipartisan Infrastructure Law. We expect to have a significant number of bridges listed in our Long Range Plan. As there are in the TIP, quite a few bridges regionally, 14% of our bridges are in poor condition, and 55% are only in fair condition. So near term, medium term, long term, we still have work to do in this area. The process is collaborative and consensus driven.

We update the Long Range Plan every four years. It's a 25 year lookout. The Long Range Plan is a long term view of the investments in our region up to 2050. A conservative estimate of the revenue that is reasonably expected to be available to develop projects put on the Plan cannot exceed this amount and what's referred to as fiscal constraint. The timeframe is broken down into three stages and funds are assigned to each stage. Stage one is the current TIP, 2023 to 2026. Four years in this timeframe. Stage two is the next eight years after the end of the current TIP and this stage will include the total remaining on the project beyond the TIP years that are already in the TIP and total cost of project set the start in this eight year period. This stage does not include minor projects and it does include some investment category line items. In the third stage, only large investment projects are identified in the last 12 to 15 years and large amounts of funding are shown residing in the investment line items. The project scopes and cost estimates are more conceptual in that last stage.

Ronda Craig explained that Round One was kicked off in Washington County on October 25. PPP meetings were held for seven weeks wrapping up with Butler County on December 7. We managed to get all 10 PPPs and hosting three in one week. We hosted virtual PPPs in Westmoreland, Allegheny, Beaver and Butler. We had six in person PPP meetings in Washington, Fayette, Greene, Armstrong, Lawrence and Indiana. We had 128 participants in all the 10 counties together collectively. They included a collaboration of folks: commissioners, county, local nonprofit organizations, employers and the public. We promoted the meetings on social media. The virtual recordings can be found on the SPC YouTube channel and SPCs website.

During the PPP meetings, participants were asked two questions in relation to the goals and the strategies. Question 1: Which goal do you feel is most urgent for the region to address in the Long Range Plan? Question 2: Which strategy or strategies do you feel is most urgent for the region to address in the Long Range Plan. A graph was shown of the responses broken down per county. If you would like that information, send Ronda an email and she will be happy to send that over to you.

During the in-person participation meetings, we collected 13 evaluation forms. Here's what the participants had to say. They felt that they were able to provide input effectively; the information was understandable; it was in done in a timely manner; and the format was appropriate.

Some comments were also received such as: they were happy with the overview of SPC's roll: they thought the meeting wasn't too long; very thorough meeting and very knowledgeable staff. Things to improve: they asked us to create a cheat sheet for the acronyms and they said to make sure the space meets the size of the group so that everyone can be comfortable. In that regard, we actually have already started the ball rolling. We've talked about the next space that we're going to have the PPP in 2023 in both Fayette and Armstrong Counties, and Armstrong also asked for the adjustment of the time schedule to make sure that everyone has an opportunity to ask questions. So, it's great feedback and we'll take all the comments into consideration when we're planning for 2023.

Round two PPPs will take place in May of 2023. As we look to 2023, I ask all commissioners to review the public participation panel list, already sent to you, and make modifications if necessary to add new or to keep the existing panel if you choose. We want to have that confirmation in January. Then in February have panelist reappointments or new appointments. We'll do that at a meeting, whether it's virtual or in person, in late February to early April to make sure that we are initiating the conversation so we can increase our participation at our PPP meetings in May.

We can use 2022 as a base year to measure the productivity for 2023 and making changes and modifications as we go to develop the most productive participation possible. Coming together and creating a plan together. We can increase our participation and strengthen our partnerships within our communities. Together we can be stronger and we can reach more people for future participation moving forwards. Thank you.

6. Message from the Executive Director – Vincent Valdes
Next Meeting Date – **February 27, 2023 at 4:00 p.m.**

Vincent gave an update on the move to the Strip District. We're working on very small details at this point like disposing of our furniture and installing our IT backbone in the new facility, looking at telephone service, all the details that can make or break the move. We're obviously hitting that very hard for the month of January. We'd like there to be as little disruption as possible. The contractors have let us know of the supply chain issues around the country that we all are well aware of. It looks like the move is not going to be happening until the end of February due to new electrical panels and flooring issues and things of that sort. Which brings us to the next Executive Committee and Commission meeting and probably a Policy meeting date of February 27. We're proposing for the month of February that we will be working remotely. We have mentioned that we would probably go across the region to start holding these meetings, not just here in Allegheny County and Pittsburgh. We're proposing, with your permission, to hold this first meeting in February in Butler County. There are a number of facilities there that would lend themselves to this meeting. We would certainly have a virtual option for those who can't travel, but we would strongly like everyone to be there in person. We'll find a place in Cranberry that is accessible to everyone. We want to continue the pace of these meetings. They are useful with a lot of good information that's shared. Again, we don't want the move to be disruptive in any way.

7. Other SPC Business – None
8. Adjourn – 4:51 p.m.

Respectfully Submitted,

Pat Fabian, Secretary-Treasurer