

Minutes of the Joint Meeting of the
Southwestern Pennsylvania Corporation Board of Directors
and the
Southwestern Pennsylvania Commission Executive Committee
BC3, Executive Drive, Cranberry Township, PA
and
Cisco WebEx Meeting
3:00 p.m. – February 27, 2023

The three hundred seventy-fourth meeting of the Southwestern Pennsylvania Corporation Board of Directors and the one hundred ninety-fourth meeting of the Southwestern Pennsylvania Commission Executive Committee was called to order by Chairman Osche.

SPC Board Members present: Mike Belding, Pat Fabian, Rich Fitzgerald, Sherene Hess, Sean Kertes, Leslie Osche, Vincent Valdes, and Vince Vicites.

SPC Executive Committee Members present were: Mike Belding, Pat Fabian, Rich Fitzgerald, Lynn Heckman, Sherene Hess, Sean Kertes, Larry Maggi, Leslie Osche, Johnna Pro, Larry Shifflet, Gina Cerilli Thrasher, Vincent Valdes, and Vince Vicites.

Others: Tony Amadio, Beaver County Board of Commissioners; Mark Gordon, Butler County Planning and Economic Development; Kevin McCullough, PennDOT Central Office; Ann Ogoreuc, Allegheny County Economic Development and Planning; Dusty Kirk, Reed Smith LLP; and John Timney, Washington County Authority.

Staff: Mary Brangan, Kirk Brethauer, Leann Chaney, Ronda Craig, Dom D'Andrea, Linda Duffy, Margaret Fonner, Ryan Gordon, Chuck Imbrogno, Tom Klevan, Jennifer Lasser, Steve Meredith, Shannon O'Connell, Ailisa Sobien, Josh Spano, Dave Totten, Cathy Tulley, Sara Walfoort, and Andy Waple.

1. Call to Order

Chairman Osche welcomed members and called the meeting to order.

2. Action on Minutes of the December 12th Corporation Board of Directors and Commission Executive Committee Meeting

Action on the minutes of the December 12, 2022 meeting of the Board of Directors and the Executive Committee were approved on a motion by Commissioner Belding which was seconded by Commissioner Fitzgerald. The affirmative vote was unanimous.

3. Public Comment – None.

4. Financial Report – Ailisa Sobien

Ms. Sobien gave a brief overview of the budget.

FY 22-23 Budget:	\$22,341,055
Revenue and Expenses:	\$ 5,224,064
Percent of Budget:	23.0 %

5. Action on Board Resolution 1-23 and Executive Committee Resolution 1-23 to Adopt an Updated Combined Budget for Fiscal Year 2022-2023 – Margaret Fonner

A RESOLUTION OF THE DIRECTORS OF THE SOUTHWESTERN PENNSYLVANIA CORPORATION AND THE EXECUTIVE COMMITTEE OF THE SOUTHWESTERN PENNSYLVANIA COMMISSION to adopt a Combined SPC Annual Budget, as presented, for the fiscal year beginning February 27, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Directors of the Southwestern Pennsylvania Corporation and the Executive Committee of the Southwestern Pennsylvania Commission approve and adopt the Updated FY 2022-23 SPC annual balanced budget of \$22,341,055 (Revenues) and \$22,341,055 (Expenditures) as presented, for the fiscal year beginning July 1, 2022; and

RESOLVED FURTHER that the SPC President and Executive Director is hereby authorized to execute all transactions, as delineated in the above-mentioned budget, to carry out the business of SPC.

A motion was made to approve Board Resolution 1-23 and Executive Committee Resolution 1-23 by Commissioner Fabian which was seconded by Commissioner Fitzgerald. The affirmative vote was unanimous.

6. Action on Executive Committee Resolution 2-23 to Approve a Member Dues Increase for Fiscal Year 2023-2024 – Margaret Fonner

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE SOUTHWESTERN PENNSYLVANIA COMMISSION to approve and adopt an increase of SPC Member local share of Commission expenses and program funding match effective calendar year beginning 2023.

WHEREAS, in accordance with Article 10 "Financing" - Section 10.1 of the Southwestern Pennsylvania Commission Articles of Agreement and Bylaws dated September 2012, "the local share of expenses and program funding match of the Commission shall be borne respectively by the MEMBERS based upon a prorated formula which gives equal weight to proportionate county land area, county decennial census populations and county market values of real property as determined by the State Tax Equalization Board for the most recent year that figures are available at the time the calculation is made. The formula shall be updated every ten years to be effective the calendar year after the decennial census information becomes available";

WHEREAS, in accordance with Article 10 "Financing – Section 10.1, the Commission adopted the reapportionment following the 2020 decennial census in August 2021.

WHEREAS, in accordance with Article 10 - Section 10.3, "the Commission shall adopt, by action of its Executive Committee, an annual budget and an annual statement of the local share of expenses in accord with the above formula".

NOW, THEREFORE, BE IT RESOLVED that the Executive Committee of the Southwestern Pennsylvania Commission approves and adopts the reapportioned SPC Member local share of Commission expenses and program funding match as presented effective July 1, 2023.

A motion was made to approve Executive Committee Resolution 2-23 by Commissioner Fitzgerald which was seconded by Commissioner Belding. The affirmative vote was unanimous.

7. SPC Member Ethics Policy Statements for 2023 – Shannon O’Connell

Ms. O’Connell stated that she was announcing that she is going to be sending out the ethics policy statement and the disclosure forms for everybody to sign and return to SPC within two weeks.

8. Transportation Report – Dom D’Andrea

Mr. D’Andrea remarked that he will be brief with his Transportation Report

SPC Long Range Plan:

SPC is still on scheduled to bring the draft Long-Range Plan to the full Commission in June. We've been working with your county planning staff as well as PennDOT folks to put together those project lists.

State Transportation Commission:

State Transportation Commission's State Transportation Commission and PennDOT have announced the start of their 2023 public outreach campaign to update the 12-year TIP. The public comment period will open on Wednesday, March 1 and continue through Sunday April 30. The 2023 transportation performance report was approved at the STC meeting in February. The Report contains information about how Pennsylvania's transportation system overall has performed over the last two years.

PM2 and PM3 Federal Performance Measures:

PM2: Bridge and Pavement Condition

PM3: Travel reliability, Delay, and Emissions

State Implementation Plan-No sanctions!

9. Broadband and Strategic Initiatives Report – Andy Waple

Commissioner Osche commented on the success of the Broadband Summit and thanked staff. She stated that over the past week she had the opportunity to speak with several providers, and lunch with Comcast's Vice President, who all said that it was an incredible event.

Mr. Waple gave an update on Broadband.

FCC Broadband Data Collection - Challenge

- Coordinated submissions with Counties and City of Pittsburgh
 - Also coordinated with statewide submission led by PBDA and the Penn State Extension
- SPC registered with the FCC and obtained a license with CostQuest so that we could distribute this data to our member counties and their consultant teams.
- FCC provided just over 60 days from release of map (November 2022) to deadline (January 13, 2023) that influences state BEAD allocations.
- FCC continues to accept challenges – this will help the PBDA and ISP's in identifying locations in need of service and eligible for future broadband projects.

Regional Broadband Summit Update:

Mr. Waple thanked Commissioner Osche for her kind words and stated that SPC received a lot of great feedback on the event. There was a sold-out crowd and actually had around 200 attend the event in person, and had a great deal of people participate on line.

There were a number of great panels. There were discussions on the state of the region, discussion with a legislative panel and the broadband authority, and also a really great panel on funding with Broadband Development Authority. SPC also raised over \$17,000 from sponsors to help with cost of the event.

Small Business Broadband Connectivity Survey and Strategy Guide

- Connectivity Roadmap Strategy: *Support small businesses in expanding their potential through technology. Conduct a survey to gauge use and understanding of online ordering and payments and prepare a strategy guide for small businesses to maximize their use of internet services.*
- Secured additional DCED PREP funding to help implement this strategy:
 - Small Business Survey: Collect information regarding the way small business are utilizing (or not utilizing) high speed connectivity to conduct and grow their respective businesses.

- Small Business Strategy Guide: Provide implementable strategies, across multiple business sectors, utilizing high speed connectivity to maximize productivity, sales and the overall success of small businesses throughout the region.

Strategic Initiatives Report:

Mr. Waple stated he had a few highlights he would like to point out on the Strategic Initiatives Report. SPC did hear back from the USDA on the discretionary programs that we applied for. First the Multimodal Project Discretionary Program for the East Busway and Parkway East program which we were not successful and second, the Safe Streets for All Program which we were also not successful.

We also have an application for the Small Bridge Program. We are hearing from Senator Casey's Office that those awards will be announced soon.

10. Economic and Workforce Development Report – Jenn Lasser

Ms. Lasser gave an update on the Economic and Workforce Development Program.

Planning & Development

- Continued focus on small business resiliency & growth
- Expanded Pathways to New Economy Careers kick off meeting
- ARC AREA Development – Regional Projects invited for application
- ARC POWER - OPEN
- Strategic Planning with Local Government, DCED, EDOs, Workforce Development and Industry for future stimulus dollars
- Continued Broadband Discussions with Counties, Providers and Infrastructure Experts
- Data represented for December/January 2022

Business Assistance (PREP) - EXPORT

- Assistance Provided:
 - 9 Companies Assisted
 - 12 Counseling Sessions
- Work Orders:
 - 5 Companies
 - 6 Work Orders
 - 4 Countries

Business Assistance (PREP) – Gov. Procurement

- Assistance Provided
 - 16 Companies Assisted
 - 29 Counseling Sessions

- Contract Awards
 - ▬ 7 companies, 21 awards totaling \$818K
- Events
 - ▬ 1 event
 - ▬ PTAC/FAA: Doing Business with the FAA

Business Assistance (PREP) – Commercial Lending

- Assistance Provided
 - 18 Companies
 - 24 Counseling Sessions
- Events
 - 1 event
 - Butler County Chamber – Banker Presentation

Community Economic Technical Assistance

- Keystone Opportunity Zones (KOZ)
 - Inquiries – 3 - Applications - 12
 - Businesses – 9 - Investment – 7.2M
 - Jobs Created – 821 - Jobs Retained - 19

ARC Technical Assistance

- Provided Technical Assistance to – 15 Projects (Area Development/ARISE)
- Presentation to Washington County Providers
- POWER Submission window is OPEN!

EDA Technical Assistance –

- 3 Projects

Grant Reports Submitted – ARC (3) , EDA (2) and DCED (2) for Jan 2023

Expanded Pathways to New Economy Careers (aka BBB Project 3) - UPDATE

- Appx 24M w/ SPC as Project Lead
- 18 Funded Partners (WIBs, Colleges/Universities, BotsIQ, PRN)
- Workforce/Education Driven - Remove barriers to robotics careers
- Working with industry to determine needs and supply trained workers
- Focused on Implementation, coordination and being responsive to needs
- Feb 2023 Partner Meeting – Scope of Work & Kick-Off
- On schedule and ramping up
- RECO hired – connector to all things BBB related

11. Action on Corporation Board Resolution 2-23 to Approve Changes to the Appalachian Regional Commission Revolving Loan Fund – Steve Meredith

A RESOLUTION OF THE DIRECTORS OF THE SOUTHWESTERN PENNSYLVANIA CORPORATION to approve changes to the Appalachian Regional Commission Revolving Loan Fund Plan Guidelines.

WHEREAS, the Southwestern Pennsylvania Corporation serves as the Area Loan Organization for southwestern Pennsylvania; and

WHEREAS, at the request of our Appalachian Regional Commission (ARC) Revolving Loan Fund (RLF) representative, Jennifer Simon, we have made a few changes to our ARC RLF plan, in order officially place in writing some regulations with which we are already complying. By doing so, we are coming into compliance with ARC's new Access to Capital (ATC) guidelines. The changes are highlighted in the attached ARC RLF plan document, and they can be found on pages 6, 7, 10, and 13 of the Plan, along with an "Appendix C" at the end of the document, listing our current loan review committee members. The most substantive changes pertain to how SPC can set its interest rate, as well as the makeup of our loan review committee members. The minimum positive interest rate that SPC as a grantee can charge is four percentage points below the current U.S. Treasury rate for issues of similar size and maturity, or the maximum interest rate allowed under state law, whichever is lower. The minimum interest rate is not required to be raised above ten (10) %, should the Treasury Yield Curve exceed 14%. As for our loan review committee, our plan now states that a significant majority of the members must have had lending or equity experience, and a majority must currently represent the private sector as opposed to the government. Once again, SPC is already complying with these changes, but it is now codified in writing in our ARC RLF plan.

NOW, THEREFORE, BE IT RESOLVED that the Directors of the Southwestern Pennsylvania Corporation approve the changes to be made to the Appalachian Regional Commission (ARC) Revolving Loan Fund (RLF) Plan Guidelines.

A motion was made to approve Board Resolution 2-23 by Commissioner Fitzgerald which was seconded by Commissioner Fabian. The affirmative vote was unanimous.

12. Message from Executive Director - Vincent Valdes
Next Meeting Date – April 24, 2023

Mr. Valdes announced that Caitlin O'Connor will be joining SPC staff on March 1st. Her title will be Director of Public Relations and Communication Initiatives. DJ Ryan joins SPC staff on March 6th. He is our new Director of Strategic Initiatives replacing Dan Alwine. Also, I would like to announce a promotion of one of our SPC staff members, Cathy Tulley. Cathy will be our new Environment and Program Manager. Finally, an update on our move. Margaret and I have been meeting on a weekly basis with the construction team and we are looking to move in to our new location sometime in April.

13. Other SPC Business - Commissioner Osche

Commissioner Osche remarked how delighted she was to host the SPC meetings in Butler County and thanked all in attendance for making the trip.

Chairman Osche asked for a motion to move into Executive Session.

Commissioner Fitzgerald moved to enter Executive Session. Commissioner Fabian seconded. The affirmative vote was unanimous.

Executive Session

Commissioner Fabian moved to come out of Executive Session. Commissioner Belding seconded. The affirmative vote was unanimous.

14. Corporation Board Action on Resolutions 3-23 to approve one loan was unanimous.

15. Adjourn

The meeting adjourned at 4:32 p.m.

Respectfully submitted:

Margaret Fonner
Corporation, Secretary-Treasurer

Pat Fabian
Commission, Secretary-Treasurer