

# Corporation Board of Directors & Executive Committee

December 11, 2023

3 p.m.



# Opening Agenda Items

- ✓ Agenda Item: 1 - Call to Order
  - Quorum
  - Conflict of Interest Declarations on Action Items
- ✓ Agenda Item: 2 - Action on the Minutes from October 23, 2023
- ✓ Agenda Item: 3 - Public Comment

# Summary of 2022-2023 Audit Report

*Tim Morgus, Michelle Hoke, and Maher Duessel*  
*CPAs*

Agenda Item: 4



# MaherDuessel

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# SPC Audit Committee Meeting

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TIM MORGUS, CPA, CFE, CGFM, MANAGING PARTNER

MICHELLE HOKE, CPA, SENIOR MANAGER

December 11, 2023

# Audit Deliverables

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- ❑ Communications to those Charged with Governance
- ❑ Single Audit Financial Report
- ❑ 990 – SWPA Corporation

# Communications to Those Charged with Governance

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- ❑ Our Responsibilities under Auditing Standards Generally Accepted in the United State of America, Government Auditing Standards and Uniform Guidance
- ❑ Significant Accounting Policies
- ❑ Accounting Estimates
- ❑ Disclosures
- ❑ Difficulties Encountered in Performing the Audit
- ❑ Corrected and Uncorrected Misstatements

# Communications to Those Charged with Governance (continued)

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- ❑ Disagreements with Management
- ❑ Management Representations
- ❑ Management Consultations with Other Independent Accountants
- ❑ Items Discussed Prior to Retention of Independent Auditors
- ❑ Other Matters

# Single Audit Financial Statements

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- ❑ Independent Auditor's Report
  
- ❑ Management's Discussion and Analysis
  
- ❑ Financial Statements
  - Right-to-use asset and lease liability \$6M
  - Revenues/Expenditures down \$1.5M or 12.2%
  - Negative (\$748,165) fund balance



# Statement of Financial Position

<u>Assets</u>	<u>Governmental Activities</u>	<u>2022</u>
Cash and cash equivalents:		
Operating	\$ 96,613	\$ 242,364
Restricted	506,490	2,130,389
Revolving loan funds:		
Uncommitted	1,613,644	1,594,787
Total cash and cash equivalents	<u>2,216,747</u>	<u>3,967,540</u>
Accounts receivable	3,626,342	2,271,227
Prepaid expenses	59,004	115,401
Other assets	168,579	50,742
Loans receivable:		
Appalachian Regional Commission - RLF	1,923,774	1,354,829
Economic Development Administration - RLF	941,669	886,095
Economic Development Administration - RLF CARES Act	500,013	735,447
PIDA/SBF Loan Fund	2,988,893	2,784,790
Total loans receivable	<u>6,354,349</u>	<u>5,761,161</u>
Right-to-use assets, net of accumulated depreciation	6,186,673	354,565
Capital assets, net of accumulated amortization	750,819	-
<b>Total Assets</b>	<u><b>19,362,513</b></u>	<u><b>12,520,636</b></u>

# Statement of Financial Position

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<b>Liabilities</b>		
Accounts payable	2,054,526	1,462,084
Accrued salaries and fringe benefits	305,580	298,057
Grant advances	1,883,547	2,105,555
Unearned revenue	655,187	538,744
Notes payable - PIDA/SBF loan programs	2,988,893	2,784,790
Accrued liabilities	69,543	63,561
Lease liability	6,237,548	354,565
Unearned revenues of revolving loan funds	4,761,120	4,455,836
<b>Total Liabilities</b>	<b>18,955,944</b>	<b>12,063,192</b>

# Statement of Revenues, Expenditures, and Changes in Fund Balance

	Southwestern Pennsylvania Corporation	Southwestern Pennsylvania Commission		
	General Fund	Special Revenue Fund	Total	2022
<b>Revenues:</b>				
Federal grants	\$ -	\$ 7,253,481	\$ 7,253,481	\$ 7,748,010
State grants	-	1,523,276	1,523,276	1,713,318
SPC member contributions	-	902,004	902,004	781,438
In-kind service contributions	-	976,140	976,140	945,760
Contributions	73,815	239,604	313,419	1,333,035
Loan program fees	100,277	-	100,277	71,927
Interest income and other	-	81,245	81,245	109,232
<b>Total revenues</b>	<b>174,092</b>	<b>10,975,750</b>	<b>11,149,842</b>	<b>12,702,720</b>

# Statement of Revenues, Expenditures, and Changes in Fund Balance

Capital expenditures	7,827,047	-	7,827,047	-
Total expenditures	18,976,889	-	18,976,889	12,702,720
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(18,802,797)</b>	<b>10,975,750</b>	<b>(7,827,047)</b>	<b>-</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	11,356,152	380,402	11,736,554	13,298,726
Transfers out	(380,402)	(11,356,152)	(11,736,554)	(13,298,726)
Leases	7,076,228	-	7,076,228	-
Total other financing sources (uses)	18,051,978	(10,975,750)	7,076,228	-
<b>Net Change in Fund Balance</b>	<b>(750,819)</b>	<b>-</b>	<b>(750,819)</b>	<b>-</b>
<b>Fund Balance:</b>				
Beginning of year	2,654	454,790	457,444	457,444
End of year	\$ (748,165)	\$ 454,790	\$ (293,375)	\$ 457,444

# Single Audit Financial Statements

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- ❑ Footnotes to the Financial Statements
  - Adopted/Pending accounting standards (FN 2)
  - Leases Payable (FN 10)
  
- ❑ Supplementary Information – SEFA
  
  
- ❑ Reporting by Uniform Guidance

# 990 – SWPA Corporation

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- ❑ Extended to May 15, 2024
- ❑ Sch A – Supporting Org
- ❑ Sch B - Public Disclosure copy blinds donor names/addresses
- ❑ Sch C – Political , D, J, R and O

# 990 – SWPA Corporation

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- ❑ Sch D – Footnotes to 990
- ❑ Sch J – Compensation Information
- ❑ Sch R – Related Organizations
- ❑ Sch O - Misc

# Contact Information

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- ❑ Tim Morgus, CPA, CFE, CGFM, Managing Partner  
[tmorgus@md-cpas.com](mailto:tmorgus@md-cpas.com) Phone: 412-535-5502
  
- ❑ Michelle Hoke, CPA, Senior Manager  
[mhoke@md-cpas.com](mailto:mhoke@md-cpas.com) Phone: 412-535-5526



# Questions?



# Financial Report

*Ailisa Sobien, Finance Director*

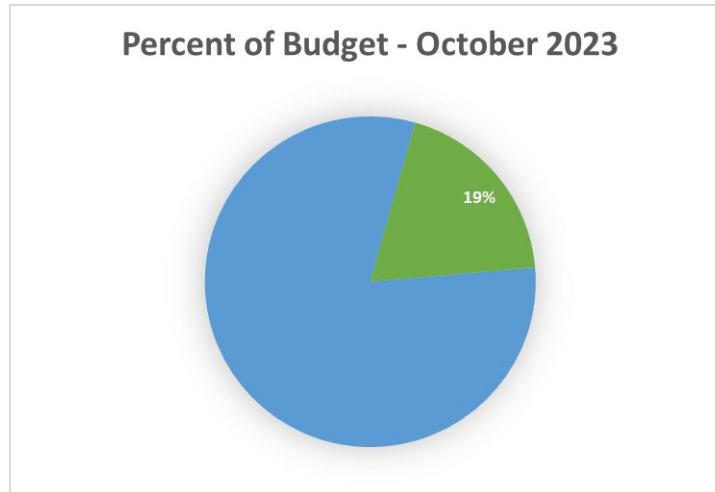
Agenda Item: 5



# Financial Report

## FY 23-24 Budget Status – October 31, 2023

- FY23-24 Budget \$24,003,761
- Revenue and Expenses: \$ 4,611,885
- Percent of Budget: 19.0%



# Questions?



# Transportation Report

*Dom D'Andrea, Director of Transportation Planning*

Agenda Item: 6



# 2025-2028 TIP SCHEDULE

## Fall 2023 (through end of this year)

- TIP Workgroup meetings (17) and project selection for Draft 2023-2026 TIP-  
**Ongoing**
- TA, CMAQ, and CRP Projects selected via competitive application processes-  
**Completed**
- First round PPP and Public Meetings for feedback-**All Meetings completed**

## Winter 2023/2024

- Pre-Draft TIP completed and forwarded to PennDOT Central Office for review-  
**Ongoing**

## Spring 2024

- PennDOT review; AQ Conformity & EJ Analysis; document preparations
- Smart Transportation Program project evaluation and selection
- 30 Day Public Comment Period-including 11 public meetings (May-June) and Comment/Response documentation
- 2025-2028 TIP adoption at June, 2024 Commission meeting

# SPC Competitive Programs

- **Transportation Alternatives Set-Aside Programs (TA)**
  - **SPC Congestion Management and Air Quality (CMAQ) Program**
  - **SPC Carbon Reduction Program (CRP)**
- Consolidation of the process for TA/CMAQ/CRP**

## 2023 Development Milestones

**May-Program Guidance Updated**

**June 1-Application Period Opened**

**June 5-Competitive Programs Webinar**

**July/August-Pre-application meetings**

**September 15-Application period closes**

**October/November-Candidate Evaluation and Deliverability Cmt. Mtgs.**

**October-December: 3 Selection Committee Mtgs.**

# SPC Competitive Programs

32 final applications received

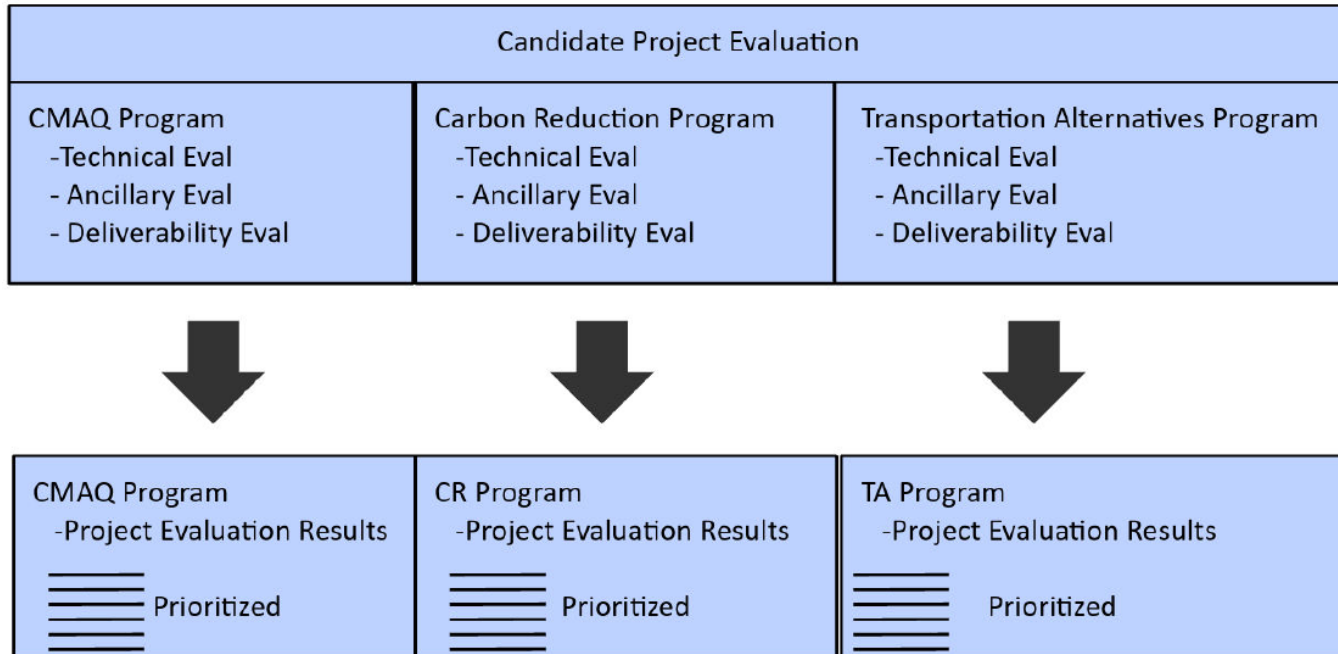
- Traffic flow improvements (13)
- Trail improvements (7)
- Pedestrian/Bicycle improvements (6)
- Transit improvements (3)
- Park n Ride (1)
- Historic Preservation of Transportation Facility (1)
- Diesel Emissions Reduction/Alt. Fuels (1)





# Project Evaluation

- The candidates eligible for each program will be evaluated under the criteria for that program. A project may be eligible for multiple programs.



Each Program has a three types of Evaluation Criteria:

- Technical
- Ancillary
- Deliverability

Technical and Ancillary Scoring is done by SPC Staff. Deliverability scoring is done a deliverability committee.

# CMAQ Final Recommendation

Project Sponsor	County	Project Name	Proposed Award	General Description
Bikeshare Pgh	Allegheny	Mobility Justice in Micromobility: Pittsburgh Sets a New Standard	\$2,160,000	Bikeshare station expansion, ebikes, charging stations
Pittsburgh Regional Transit	Allegheny	University Line Oakland to Squirrel Hill BRT	\$7,418,343	Rapid Transit expansion, new stations and amenities
City of Pittsburgh	Allegheny	Brownsville Road Corridor Safety and Accessibility Improvement	\$3,603,495	Traffic signal and pedestrian safety improvements
Port of Pittsburgh	Regional	Port of Pittsburgh Marine & Landside Diesel Equipment Re-Power Pgm	\$6,000,000	Marine diesel retrofit program
Pittsburgh Regional Transit	Allegheny	Microtransit Pilot Project	\$3,971,582	First mile/last mile microtransit serving 5 communities
City of Butler	Butler	City of Butler Main Street Student and Pedestrian Safety Project	\$1,545,356	Sidewalk, crosswalk, and accessibility improvements
Fayette County	Fayette	Sheepskin Trail City of Uniontown Construction Phase 2	\$1,300,832	Trail expansion
PennDOT	Allegheny	I-279 Southbound Off-Ramp to East Street Intersection Improvements	\$376,000	Operations/safety improvements on interstate ramp

Available	\$28,000,000
8 Projects Approved	\$26,375,608
Reserve	\$1,624,392

# TASA Final Recommendation

Project Sponsor	County	Project Name	Proposed Award	General Description
Bikeshare Pgh	Allegheny	Mobility Justice in Micromobility: Pittsburgh Sets a New Standard		Project funded with CMAQ
Fayette County	Fayette	Sheepskin Trail City of Uniontown Construction Phase 2		Project funded with CMAQ
Indiana County	Indiana	Route 22 Pedestrian/Bicycle Bridge	\$1,250,000	New trail bridge link over State Route 22
City of Butler	Butler	City of Butler Main Street Student and Pedestrian Safety Project		Project funded with CMAQ
City of Pittsburgh	Allegheny	East Ohio Street Safety/Streetscape Improvements	\$1,500,000	Traffic signal and pedestrian safety improvements
Kittanning Borough	Armstrong	Kittanning Borough Streetscape Project	\$500,000	Pedestrian and accessibility improvements
City of Pittsburgh	Allegheny	East Liberty-Negley Avenue Implementation	\$1,500,000	Pedestrian/Bicycle safety improvements
Redevelopment Auth. ALCO	Allegheny	Panhandle Trail Extension Acquisition	\$1,000,000	Trail expansion
Indiana Borough	Indiana	North 6th Street Sidewalk Project	\$100,000	New sidewalk improvements
Greene County	Greene	Waynesburg Commons Multimodal Improvement Project	\$946,083	New sidewalk and pedestrian safety improvements
South Fayette Township	Allegheny	Fairview Park Trail Network	\$802,060	Trail improvements

Available	\$7,652,000
8 Projects Approved	\$7,598,143
Reserve	\$53,857

# CRP Final Recommendation

Project Sponsor	County	Project Name	Proposed Award	General Description
Pittsburgh Regional Transit	Allegheny	Microtransit Pilot Project		funded with CMAQ
Indiana County	Indiana	Route 22 Pedestrian/Bicycle Bridge		funded with TASA
Bikeshare Pgh	Allegheny	Mobility Justice in Micromobility: Pittsburgh Sets a New Standard		funded with CMAQ
PennDOT	Allegheny	I-279 Southbound Off-Ramp to East Street Intersection Improvements		funded with CMAQ
Port of Pittsburgh	Regional	Port of Pittsburgh Marine & Landside Diesel Equipment Re-Power Pgm		funded with CMAQ
Pittsburgh Regional Transit	Allegheny	University Line Oakland to Squirrel Hill BRT		funded with CMAQ
City of Pittsburgh	Allegheny	Brownsville Road Corridor Safety and Accessibility Improvement		funded with CMAQ
PennDOT District 11-0	Allegheny	State Route 8 at Sandy Hill Widening Project	\$1,640,000	Turn lane safety improvements
PennDOT District 12-0	Fayette	Corridor 116 Improvements	\$5,023,600	Pedestrian/signal improvements on SR40, Uniontown

Available	\$9,500,000
2 Projects Approved	\$6,663,600
Reserve	\$2,836,400

# Questions?



# Strategic Initiatives & Policy Report

*DJ Ryan, Director of Strategic Initiatives & Policy*

Agenda Item: 7



# Strategic Initiatives and Policy Report

## 1. Allegheny River Update

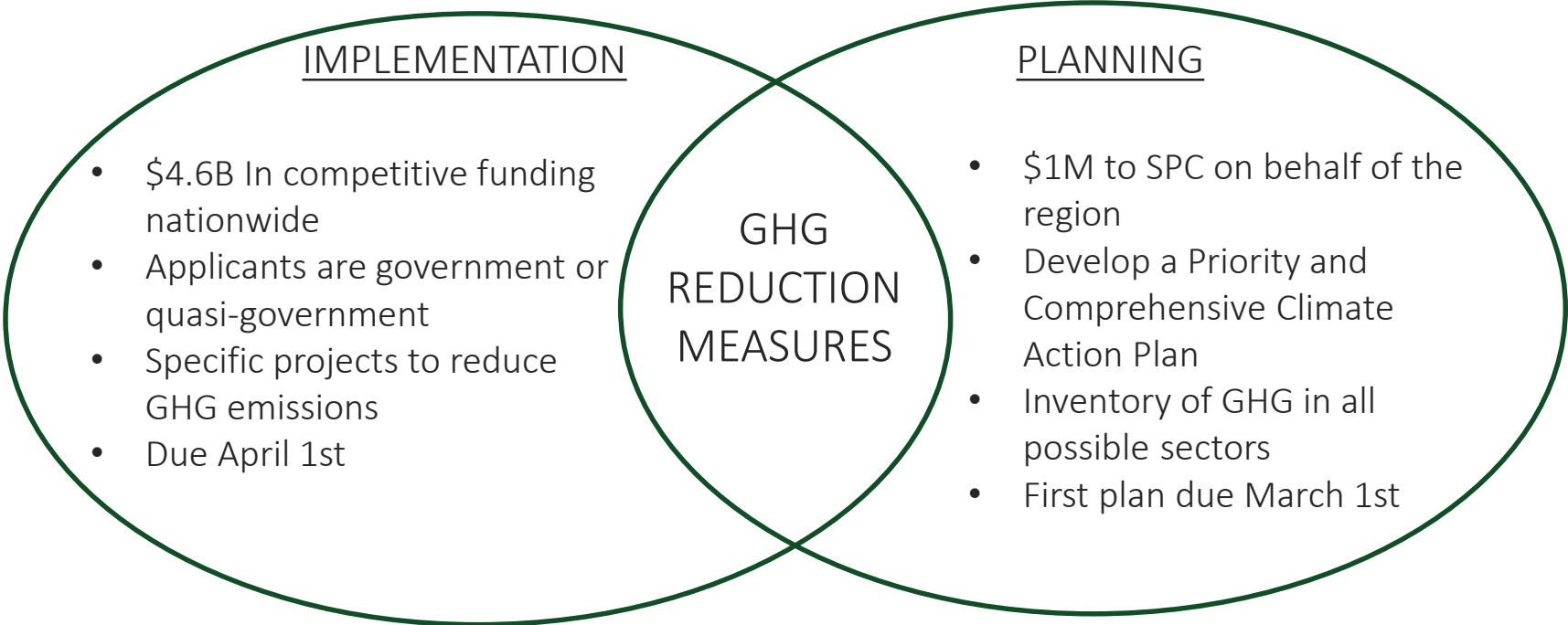
- Sen. Casey responded to STAR's letter
  - Will introduce WRDA amendment to keep levels of service unchanged while USACE completes full study
- Rep. Reschenthaler sent letter to USACE HQ
  - Signed by all other SWPA federal electeds
  - Asks for freeze in level of service while efforts to increase commercial traffic continue
- Sub-group working on economic impact study independent of USACE

## 2. Sponsored Programs

- Waiting to hear back on SS4A
- MPDG for Parkway East and East Busway pending, we have engaged with Congress to assist in our efforts.
- Decisions will be made soon on both applications

# Strategic Initiatives and Policy Report

## Climate Pollution Reduction Grant Update





# Strategic Initiatives and Policy Report

## IMPORTANT NOTES FOR COUNTIES

1. Email coming to you to identify Steering Committee Member
  - One per county + city
2. Implementation Project Sponsor Workshop in early January
  - Save the date going out this week
3. Project Sponsors please reach out to Catherine Tulley, [ctulley@spcregion.org](mailto:ctulley@spcregion.org)
  - We need to ensure our measures match
4. High level of interest – Thank you to enviro staff and colleagues!

# Questions?



# Broadband Connectivity Report

*Andy Waple, Deputy Executive Director*

Agenda Item: 8



# Small Business Connectivity Survey and Strategy Guide

## 1. Data Collection & Dashboard

- Business location and employment data
- Existing broadband speed, accessibility, and adoption mapping
- Demographic and socioeconomic mapping

## 2. Survey Development & Deployment

- Outreach & Promotional Toolkit
- 4-week survey period (to date)
- Survey Findings Report

## 3. Small Business Connectivity Strategy Guide

- Playbook with actionable strategies, partners, programs, and funding sources

## Partner Deployment:

- Armstrong County Industrial Development Council
- Beaver County CED
- Fay-Penn Economic Development Council
- Penn West Clarion SBDC
- Pitt IEE
- SBDC, St. Vincent College
- Tri-County Workforce Investment Board (Butler)
- URA
- Washington County Chamber of Commerce
- Westmoreland County

# What We've Heard So Far



**72%** have no e-commerce capabilities for their business.



**45%** cite the use of data/web analytics as important to their business.



**54%** use online accounting or bookkeeping software, while another **36%** say they've never used it.



**82%** use social media to promote their business.



**36%** cite the inability to get high-speed internet as a barrier to scaling up their business.



**54%** say they use cloud computing or storage and consider it very important to their business.



**45%** of respondents cited the need for specialized software as a barrier to growing their business.

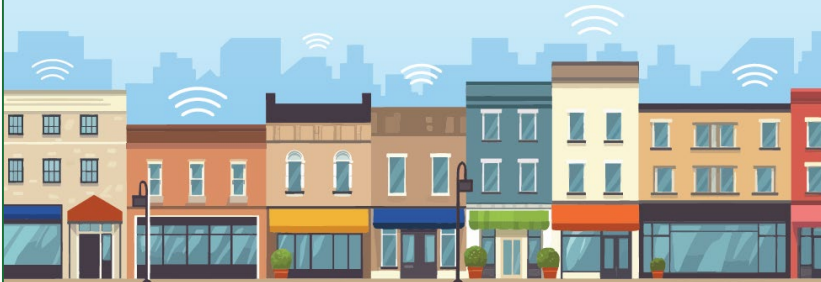
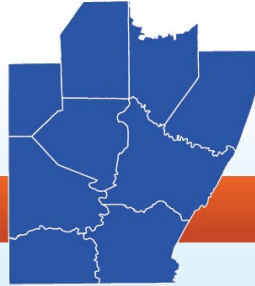


Top reasons to partner with local organizations: **build social media skills, access small business assistance programs, and host interns.**

## Small Business Connectivity

### STRATEGY GUIDE

December 2023



# Small Business Connectivity Strategy Guide

- Public-facing layout.
- Printable PDF available online.
- Chapters with actionable strategies, partners, programs, and funding sources.
- Collaboration steps for identifying implementation partners.

# Regional Digital Navigator Program Model

## Work Underway:

- Internal kick off meeting held on November 3, 2023
- Consultants to discuss project and gather information from county planning directors at 12/11 Regional Planning Directors meeting
- Meeting with United Way and Greater Pittsburgh Digital Inclusion Alliance after new year
- Data Collection – identification and mapping of potential partners across the region
- Project expected to be complete by May 30, 2024

# Questions?





# Economic & Workforce Development Report

*Jenn Lasser, Director of Workforce & Economic  
Development*

Agenda Item: 9



# Business Assistance (PREP) - EXPORT

- Assistance Provided:
  - 37 Companies Assisted
  - 69 Counseling Sessions
- Work Orders:
  - 16 Companies
  - 22 Overseas Work Orders
  - 15 Countries

# Business Assistance (PREP) – Commercial Lending

- **Assistance Provided**
  - 19 Companies
  - 33 Counseling Sessions
- Loans Closed - 2
  - Snyder Strength and Conditioning – EDA Cares - \$50,000
  - Sandzimier, Shoemaker & Company, PC / A3G Real Estate Holdings, LLC
- Loan Applications – 1
  - Sandzimier, Shoemaker & Company, PC/ A3G Real Estate Holdings, LLC – \$97,000 ARC RLF
- Staffing – Promoted Todd Stranko to Business Finance Manager
  - Interviewing for 1 (possibly 2) Loan Servicers
  - Sara Francis Retiring early 2024

# Business Assistance (PREP) – Gov. Procurement

- Assistance Provided
  - 14 Companies Assisted
  - 17 Counseling Sessions
- Contract Awards
  - 15 companies, 44 awards totaling \$3.4M
- Events – 6 Trainings Hosted - 24 attendees
  - Chatham CWE/SPC – Capability Standards
  - Govology Training – 5 Sessions

# Community Economic Technical Assistance

- **Keystone Opportunity Zones (KOZ)**
  - Inquiries – 1
  - Applications - 6
  - Business Served – 1
  - Business Improved – 1
- **Reports submitted – 4**
  - EDA Build Back Better – Economic Impact Survey
  - EDA Build Back Better – Semi-Annual Report
  - ARC PREP 1<sup>st</sup> Quarter
  - PREP Metrics Survey
- **Letters of Support - 1**

# Grant Technical Assistance: ARC/EDA

## ARC Technical Assistance

- Provided Technical Assistance to – 20+ Projects (Area Development/POWER/ARISE)
- ARISE still open (multi-state projects)
- Area Development – DEADLINE 12/31/23
- Local Access Road – Closed\*

## EDA Technical Assistance –

- Economic Adjustment Assistance & Public Works Grants – **Open!**

# Build Back Better - Project 3 Update

SPC Project Lead – organization/ goals /financial tracking

- 24M – 18 Partners Sub awarded
- Thousands to be trained in robotics related training

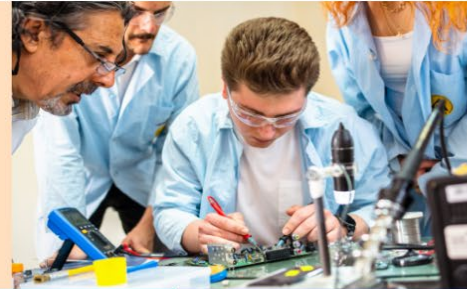
## Goals:

- Expand training & placement opportunities - Certificate, Apprenticeships, Advanced Degrees, Train the Trainer
- Build a vibrant & robust robotics ecosystem - Conduct outreach, build partnerships – goal of rooted businesses
- Clear pathways and wrap-around services for students & workers - Understand and remove barriers to employment
- Be responsive to needs of regional businesses - Establish training needs and talent strategies and deliver.
- Establish Regional Training Hubs - Serve business & workers – Train & Retain!

# A brighter future with opportunity for all



We're transforming  
our region through a  
robust robotics and  
autonomy cluster.





# Build Back Better – Project 3 - Year 1 Update

## Partners & Performance

- RECO/Team
  - Data Collection & Analytics
  - **Success Story** – Communications Strategy Meetings, Tool Kit & Website/Dashboard
- Workforce
  - Work Based Training has started at WDB
  - WDB Committee formed & meets regularly
  - **Success Story:** Alignment of training policies across all WDBs
- Education
  - New co-horts and classes
  - Industry Committees being formed
  - **Success Story** – IUP Robotics Camp – summer 2023
  - **Success Story** – CMU Skills Training Projects

# Build Back Better – Project 3 - Year 1 Update

- Labor (UMWCC)
  - Hiring completed
  - Recruitment of trainees has started
- Industry Intermediaries (BotsIQ)
  - Started the Robotics pilot class
  - Now in Brick & Mortar location
- Industry Eco-System Builders (PRN)
  - New hire
  - Outreach being conducted
  - Survey work with regional employers
  - **Success Story:** Discovery Day (2022) and upcoming Discovery Day (2023)

# Challenges/Solutions – Year 1

- New classes have smaller turnouts
  - Expected Increase in the semesters/months following
- Staff turnover across sub-awards
  - Consistency in forms, processes and reporting
  - Frequent check-ins
- Competing priorities – new grants
  - Opportunities for partnership
  - Look for alignment vs opposition
- Percieved Limited opportunities under “robotics”
  - Expanded training to robotics adjacent careers – better communication of what robotics is to the community
- Reporting Standardization not always conducive to project size
  - Working to determine best practices for larger scale projects

# Year 2 Expectations

- Thousands Trained
- More Successful Events
  - Penn State New Kensington – Future Educators Conference
  - PRN – Discovery Day
  - Job Fairs & Career Exploration Events
- Survey Results from employers
- Alignment of Training to Jobs
- Significant increases of robotics related work based training
- Dashboard & Website in greater usage
- Best Practices to EDA

# Questions?



# Message

*Vincent Valdes, Executive Director*

Agenda Item: 10



# Questions?



**Action Item – Resolution 14-23**  
**Welcoming Allegheny County Executive Rich Fitzgerald**  
**as New Executive Director**

***Board Chair Leslie Osche, Butler County Commissioner***

Agenda Item: 11





# Questions?



## Other SPC Business

*Next Meeting: Feb. 26, 2024*

*Annual Member Meeting: Feb. 26, 2024*

*Chair Leslie Osche, Butler County Commissioner*

Agenda Item: 12



# Questions?



# Adjourn

Agenda Item: 13

