

COUNTY COMMISSIONERS' WORK SESSION MINUTES
TUESDAY, JUNE 30, 2020

The Board of County Commissioners met today in their weekly Work Session.

Present at today's meeting were:

Joshua G. Parsons, Chairman
Ray D'Agostino, Vice-Chairman
Craig E. Lehman
BOARD OF COUNTY COMMISSIONERS

Lawrence M. George
CHIEF CLERK

Lisa Johnson
ASSISITANT CHIEF CLERK

Christina Hausner, Esquire
COUNTY SOLICITOR

Also present were:

Justin Eby, Housing and Community Development Director
LANCASTER COUNTY REDEVELOPMENT AUTHORITY

Lyle Hosler, Vice President
ECONOMIC DEVELOPMENT COMPANY OF LANCASTER COUNTY

Lisa Riggs, President
ECONOMIC DEVELOPMENT COMPANY OF LANCASTER COUNTY

Matthew Sternberg, Executive Director
LANCASTER COUNTY REDEVELOPMENT AUTHORITY

John Stygler, Deputy Director of Administration
BEHAVIORAL HEALTH/DEVELOPMENTAL SERVICES

Heather Valudes, Community Impact Director
LANCASTER CHAMBER OF COMMERCE

Commissioner Parsons called the meeting to order at 10:01a.m.

Commissioner Parsons announced the Board met in Executive Session on Monday, June 29, 2020 at 9:45 a.m. to discuss Labor Matters and Potential Litigation.

Commissioner Parsons announced the approval of the June 9, 2020 Commissioners' Meeting Minutes and to postpone approval of the June 16, 2020 Commissioners' Meeting Minutes and June 23, 2020 Commissioners' Meeting Minutes.

Commissioner Parsons announced there is no Work Session scheduled for Tuesday, July 21, 2020, and there is no Commissioners' Meeting scheduled for Wednesday, July 22, 2020.

1. Mr. Stygler, Deputy Director of Administration, presented an Amended Agreement for Fiscal Year 2019-2020 and Agreements for Fiscal Year 2020-2021.

Mr. Stygler made a correction to last week's presentation regarding the Addendum to the Agreement with Apex Asset Management, noting the 18% is absorbed into the cost for collection fees, which mirrors previous providers. He apologized, saying they negotiated in October and asked if the Board wanted them back with the updated information because Commissioner Lehman had voted no on this Addendum.

Commissioner Lehman appreciated the correction and asked that it be noted given the new information he would have voted yes.

NOTE: For more information please refer to the County Commissioners' Meeting Minutes dated July 1, 2020.

2. Mr. Sternberg, Executive Director, and Mr. Eby, Housing and Community Development Director, presented the Annual Action Plan for Fiscal Year 2020 for the Community Development Block Grant Program, the HOME Investment Partnerships Program and the Emergency Solutions Grant Program.

NOTE: For more information please refer to the County Commissioners' Meeting Minutes dated July 1, 2020.

3. Small Business Recovery & Sustainability Fund Phase 1 Discussion.

Ms. Riggs explained the shutdown has been significantly devastating to a lot of small businesses in the community, stating they had 1,166 total applicants spanning all industries, geography, demographics, and types with an average establishment age of over 20 years that have lost 75% of their revenue from March to May of this year compared to last year. She credited Ms. Valudes and Mr. Hossler for architecting this program, along with acknowledging the host of talent performing heroic behind the scenes work.

Mr Hossler said the website portal open two weeks ago and was up for one week. They also engaged with businesses that had a paper application, numbering less than 50, and partnered with the Penn State Extension and Farmland Trust to reach those in agriculture. Time was invested on the front end to develop the scoring, which was made well known; the technology was built so people were not allowed to not make certain inputs they were not eligible for - requesting a grant size larger than the criteria. This cut down on errors and scored the applications when submitted. The top criteria for scoring was the year over year revenue decline. The next point was looking if they get other funding along with PPP or other tools and this response was good - 80% received some sort of assistance, only 20% did not. Another proponent was what type of funding they are requesting - retrofit working capital or just working capital, noting they wanted to help retrofit situations because those companies are being hit with a double whammy of business disruption plus having to retrofit their facility going forward.

Ms. Valudes explained that they figured out where 10 million dollars starts to exhaust and worked down to that number, then a review team of about 14 people spent last week verifying the numbers put in the system, utilizing submitted financial statements and tax returns. Ms. Valudes pointed out that with exception of paper applications, everyone was shown their maximum and then were able to choose how much they wanted to put into the system.

Commissioner Lehman asked about the geographical breakdown. Ms. Riggs said 55 out of 60 municipalities have at least one business that will be recommended for funding and in the applicant pool all 60 were represented. She noted the largest was Lancaster City that had 91, Manheim Township was next with 42 and then it dropped to 27 in East Lampeter Township, which are consistent with the size of the municipalities. Commissioner D'Agostino pointed out their work with other chambers made sure the outreach was broad throughout the County.

Commissioner Parsons said the important thing is they had a fair, known, and transparent system that makes sense. He thinks they used good metrics and agrees with them, noting information can be found on their website to see why these businesses have been chosen to receive funding. Commissioner Parsons appreciated everyone's innovation, saying this is going to be a long-term issue and we need a middle course to address the virus but also keep businesses going safely.

Commissioner Lehman agreed with retrofit ranking higher than just working capital, noting it is smart since they are using CARES Act funding. He said if they are seeing businesses developing their own operational plan that tells him they are being strategic in addressing their needs because to get businesses back to operating safely and helping to rebuild the economy people need to feel comfortable and confident.

Commissioner D'Agostino asked if there were common themes in industries. Mr. Hossler stated not by commonality but by industry, noting agriculture was hurt the least because they had to keep going through the red phase. Accommodation, daycare, food service and retail are where you got into 90% to 100% revenue loss. He noted there was a higher amount in total requesting retrofit for these types of businesses. Ms. Riggs added the cost to retrofit for healthcare is significant, mostly for smaller dental practices at a time when they cannot get PPE, which surprised her. Mr. Hossler explained that the calculations had to do with 25% of their operating expenses on their last tax return or \$35,000 so to stretch this further, they tried to get the message out to 'ask for what you need'; noting 70% requested the max and 30% left money on the table so others could have a shot at it.

NOTE: For more information please refer to the County Commissioners' Meeting Minutes dated July 1, 2020.

Ms. Riggs also discussed their request for an amendment to their agreement, transferring \$1.75 million of the \$33.4 million that the Board provided, \$1 million from the PPE bucket and \$750,000 from Communications, into the Sustainability Fund due to a surplus in those areas and believes they have adequate PPE stockpiles, recognizing the incredible job the County Purchasing Department has done. She pointed out that updated statistics show 3,700 businesses registered, over 43,000 employees covered by PPE so far, 101,000 employees in companies with 100 employees and fewer in Lancaster County.

Commissioner Parsons confirmed the County is the model in the Commonwealth, noting they have had other counties reach out and it is great when they are a template for others.

Ms. Riggs explained they believe they can put money from the communications bucket to better use because they had many partners offer reduced rates or pro bono services and have been able to get the message out through a number of associates. Due to human error on the applications, between 10 and 20 percent, they flagged 139 companies where there were inconsistencies, but they did not have time to contact and verify if the information was accurate. Twenty-three of that group were ruled out as ineligible and notified yesterday that there was a significant error in their application, leaving 116 companies with a minor level error. Ms. Riggs explained the highest company score was 440 and the lowest was 70, with most companies scoring between 200 - 340. The best solution they had in this narrow window of time was to advance this first batch and reallocate the resources to cover a second.

Ms. Valudes said most flagging was a documentation issue, either the files they submitted were corrupt, unreadable or password protected so they could not be opened, although some are more technical - a mismatch between what was reported and what was submitted, not necessarily making them ineligible. She said the feedback they have gotten is concern about why they did not score high enough, so the important point for the public is about where they exhausted the pot of money. She explained for Commissioner Lehman that those with a score of 265 put them at the \$10,437,518.33 - which is the ask for Phase 1 A funding. Ms. Valudes stated follow-up is a standardized email specifically asking for documentation, noting there is a deadline and clearly stating it needs to be provided in order to be reviewed.

Commissioner Parsons agreed, he thinks the reallocation of assets and trying to keep it as objective as possible makes a lot of sense, because people have to understand what they are doing and there has to be trust in the program. He would be cautious about not doing any coaching beyond asking people to correct technical issues.

Commissioner D'Agostino appreciated the way they continually think about the how the allocated money can be put to good use sooner rather than later.

Ms. Hausner discussed what has to be done to amend the agreement due to the fee that is paid on the small business recovery fund. Commissioner Lehman agreed with Ms. Riggs that it be deducted from the 1.75 because it is a reallocation not an increase in funding. Ms. Riggs advised Ms. Hausner that they expect to have the phase 2 guidelines before the Board at next week's session, noting the first guidelines the Board approved indicated there was a likelihood of three phases, but they would like to get the money out quickly instead of having a phase three.

4. On motion of Commissioner Lehman, seconded by Commissioner D'Agostino, the following appointments were made to the Lancaster County Workforce Development Board, three-year terms from July 1, 2020 through June 30, 2023.

Michael Ford
191 Shady Lane
Hummelstown, PA 17036

Candidate is not a resident of the county.

Robert Lopez
1712 Lyndon Avenue
Lancaster, PA 17602

Candidate is a resident of the county.

Commissioner D'Agostino said Ms. Rychalsky confirmed that with today's approval five out of the 20 Workforce Development Board members are non-residents of Lancaster County. He knows County residency is not required for all board positions as long as the business is located in Lancaster County, but thinks it makes a difference to have a majority of County residents appointed to the Workforce Development Board. Commissioner Parsons and Commissioner Lehman agreed, with Commissioner Lehman noting it does not happen often that they get a non-residents serving on this board and the last was a recommendation by the Chamber.

Motion passed unanimously.

5. On motion of Commissioner D'Agostino, seconded by Commissioner Lehman, the following appointments were made to the Lancaster County Children and Youth Advisory Board, three-year terms from August 1, 2020 through August 2023.

Carrie Bair
196 Zooks Mill Road
Ephrata, PA 17522
Carrie.bair@pennteam.upenn.edu

Crystal Martin
127 Cornerstone Way
PO Box 763
Brownstown, PA 17508

Angela Keen
166 Knollwood Drive
Lancaster, PA 17601
akeen@caplan.org

Lancaster County residents.

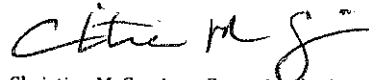
Motion passed unanimously.

6. Ms. Johnson presented the July 1, 2020 Commissioners' Meeting Agenda stating she would add the Resolution to consider the approval of the Small Business Recovery and sustainability Grant Awards as discussed and noting there is an Election Board Reorganizational Meeting and a Registration Commission Reorganizational Meeting as scheduled after the Commissioners Meeting.

7. On motion of Commissioner D'Agostino, seconded by Commissioner Lehman, the meeting was adjourned at 11:12 a.m.

Motion passed unanimously.

Respectfully submitted,



Christine M. Carrigan, Executive Assistant
Commissioners' Office