

**Big Sandy Area Development District**  
**Board of Directors Meeting**  
**October 25, 2016 – 11:30 – District Meeting Room**

**MEMBERS PRESENT**

Judge-Executive Ben Hale, by proxy Mr. David Ellis  
Judge-Executive Tucker Daniel  
Judge-Executive Charles Hardin, by proxy Mr. Mike Wilson  
Judge-Executive Bill Deskins, by proxy Mr. Brian Morris  
Mayor Les Stapleton  
Mayor Pete Shepherd  
Mr. Mark McKenzie  
Ms. Nita Collier  
Ms. Lillian Wheeler  
Mr. Don Cecil  
Mr. Brian Morris  
Ms. Susan Howard

**GUESTS PRESENT**

Ms. Bertha Daniel – AppalRed  
Mr. Bobby McCool – BSCTC

**STAFF PRESENT**

Ms. Sandy Runyon	Ms. Micha Curnutte
Ms. Terry Trimble	Ms. Janice Prater
Ms. Liz Hamilton	Ms. Peggy McKenzie
Ms. Sandra Justice	Mr. Steve Jones
Ms. Linda Howard	Ms. Peggy Thompson
Ms. Retha Mullins	Ms. Sharlet Butler
Mr. Greg Salyers	

In the absence of the Chair, Mayor Andrew H. Scott, Secretary, called the meeting to order. He took the liberty of introducing guests. The Minutes of the September 22, 2016 were reviewed and approved with a motion and a second by Mayor Les Stapleton and Mayor Pete Shepherd. Motion carried. The Agenda was amended to add an ADF request for Pike County. The agenda was approved as amended by Mayor Pete Shepherd and Judge-Executive Tucker Daniel. Motion carried.

Mr. Greg Salyers gave the Financial Report. He told the board that we closed out September with \$759,000 cash in the bank and \$344,000 available to loan in our ED RLF program. Our fund balance is \$1.4 million with high assets to liabilities which is preferred. Overall most departments are on track. Ms. Runyon explained to the board that our composite CDO reimbursement has been decreased by about \$40.00 per client per month due to a new waiver regulation by CHFS/DAIL. However we think we will still see a small surplus in that department which goes back into the programs that are underfunded. Part of the overage in KWP is due to prepaying for rented office space in the outlying counties for the KY Works Program, which will balance out as the year goes on. The Economic Development Department loss will balance itself out as we begin to receive administration dollars for applications that have been funded. The financial report was approved with a motion and a second by Mayor Les Stapleton and Mr. Mike Wilson. Motion carried.

Ms. Runyon explained the two Executive Review Projects submitted through Clearinghouse. The first was a rail to trail project for the City of Prestonsburg for \$1.8 million. Mayor Stapleton explained that this project will essentially serve two purposes. Tourism will be increased due to the trail, which will also enable The David School to increase their sales, and it will provide a much needed emergency corridor for flood situations where families in David have no other way out during high water events. All areas will benefit. There was extensive conversation among the board members regarding the benefit of ecotourism in our region. The second project was for the City of Paintsville for their sidewalk improvements project. A motion and a second to approve the Executive Review projects were made by Judge-Executive Tucker Daniel and Mr. Mike Wilson. Motion carried.

In new business, the Executive Director presented her personnel recommendations, explaining that all requirements for the hiring process have been followed:

- 1) Ms. Linda Howard, KWP Employment Specialist for the Johnson County Community of Hope. A motion and a second by Judge-Executive Tucker Daniel and Mayor Les Stapleton approved this recommendation. Motion carried.
- 2) Secondly a recommendation for Ms. Kami Berry, Employment Specialist for Mercer and Boyle Counties was presented. A motion and a second by Mayor Pete Shepherd and Mayor Les Stapleton approved this recommendation. Motion carried.

Last in new business was a request from Pike County for an ADF project in the amount of \$1981.75 for security cameras, LCD monitor and a wireless motion activated entrance alert

door chime for the Pikeville / Pike County Museum. A motion and a second by Judge-Executive Tucker Daniel and Mr. Brian Morris approved this request. Motion carried.

Directors Comments:

Ms. Runyon explained that she has provided all board members with a list of vendors and amount of disbursement for the previous 3 months as part of our transparency effort.

She then directed the board to a copy of a letter that she wrote to Commissioner Sandy Dunahoo, at the Commissioner's request. There has been ongoing discussion between the ADDs and DLG regarding the JFA Contract and the formula by which the State unmatched funds are allocated among the ADDs. The Joint Funding Agreement (JFA) addresses Federal funding which is sent to the State from EDA and HUD, matched with State funds as per the federal requirement/agreement and then allocated to all ADDs per contractual agreement. The Appalachian Regional Commission (ARC) contracts directly with the ARC ADDs and the match for that allocation is also met with State funds per legislative action. After meeting the required match, there is a portion of the State legislative allocation remaining that is referred to as "State unmatched funds". There has always been excess money from that match, which in years past, has been distributed in larger amounts to the ADDs with more population. BSADD's FY '16 portion of the State unmatched funds is about \$1,500. This process allows EDA, HUD and ARC to contribute funds that help provide the ADDs with core staff. The distribution of those funds by DLG to the ADDs is the focus of this discussion. We hope with the change in the formula by which the money is distributed, it will be more equitable for everyone and that our portion would increase. In the last year this ADD has written 90 applications totaling about \$50,000,000; half have already been approved. We feel that is significant and this JFA money is for that core staff who help your cities and counties with these requests. At our most recent meeting with the Commissioner, she asked each ADD two questions; 1) What do you do with your JFA dollars and 2) If you had additional JFA dollars, how would it benefit your District and the local governments. This letter I have shared with you is an attempt to answer her questions. There is some disagreement across the state about the formula being changed. I will keep you apprised of this discussion.

With no further business, the meeting adjourned.