

CANAL PLACE PRESERVATION AND DEVELOPMENT AUTHORITY
Tuesday, September 27, 2022 Meeting Minutes
Via Zoom Western Maryland Railway Station, Third Floor Conference Room
Cumberland, Maryland

Pursuant to notice distributed to members of the Canal Place Preservation and Development Authority, posted in the main entrance of the Western Maryland Railway Station, and circulated to the press, a meeting of the Authority was held via Zoom at the Western Maryland Railway Station, 3rd Floor Conference Room, Cumberland, Maryland, on September 27, 2022.

Authority Members Present: Janice Keene; Rebecca Ruppert, Stu Czapski, Ray Morriss, Jeremy Bender, and Bob Smith (by phone).

Staff Present: Deidra Ritchie, Executive Director; Nicole Gray, Financial Manager; Adam Snyder, Legal Counsel; and Crystal Lloyd, Administrative Aide.

Others Present: Bill Seymour and Stephen Mackall, SB & Company Auditors; Paul Mullan, WCBC Radio; Melinda Kelleher, Downtown Development Commission; and Anthony Bates, National Park Service.

I. CALL TO ORDER & CHAIRMAN'S REMARKS

Mrs. Keane called the meeting to order at 1:32 PM. Mrs. Keane announced that a FY21 audit presentation would be the first order of business presented by Bill Seymour and Stephen Mackall of SB & Company, LLC.

II. REVIEW AND APPROVAL OF FY21 Audit

Mr. Bill Seymour and Mr. Stephen Mackall of SB & Company, LLC presented the annual audit review for FY21.

Mr. Seymour and Mr. Mackall from SB & Company, LLC (SBC) (Attachment #1), completed and were in attendance to present their results of the FY21, SBC did not discover any instances of fraud in regard to this financial audit. SBC also determined that they received full cooperation from management and all journal entries that were proposed were recorded by management and prepared by the information from their records. The results from this audit were similar in nature in regard to Canal Place being able to submit reports in a timely fashion, and there is room for improvement. Once again, previous audit presentations have suggested

that the need for additional staff may resolve that issue, and ensure that financial records be reported, reconciled and reviewed throughout the year. Canal Place is somewhat of a hybrid model where some of the accounting is done by the state, you have state reporting, and you have access to the state system. It is then determined what the receivables and payables should be so that they can be reconciled, reported and reviewed throughout the year. There is a downfall of cash basis it has a lower detection for fraud that can happen because we are looking at real time transactions. There are opportunities for improvements, and we have made recommendations for those improvements to management.

Mr. Mackall continued on with the overall highlights of the results of this audit. In reference to the Statement of Net Positions for FY21.

Current other assets would include any cash due, accounts receivable or monies due from the State of Maryland. The capital assets changed due to the current year depreciation. Current other liabilities would include accounts payable, salaries, long term payments due, and any monies due to the State of Maryland depending on when those accruals are made. For FY21, there is a slight decrease in assets in the amount of \$600,000 due to the timing of grants received at the end of the year.

Cash basis revenue was consistent for FY21, and some of the grants were reported as revenue. Net loss was \$526,000 and the majority of the loss was due to depreciation and labeled as non-cash items. Mr. Mackall concluded the net position for Canal Place for FY21 was \$15.5 million compared to the net position of FY20 which totaled \$17 million, and asked for any questions for the FY21 audit of Canal Place, and there were none. Ms. Ritchie thanked them for all of their hard work to finalizing the audits FY21 in a timely fashion and stated that we are now up to date on our financial audits.

The following motion was offered by Ray Morriss.

RESOLVED, that the Financial Audit of Canal Place for FY 21 be approved as submitted.

The motion was seconded by Jeremy Bender and unanimously approved.

III. REVIEW AND APPROVAL OF MINUTES AND FINANCIALS

The following motion was offered by Bob Smith.

RESOLVED, that the open session minutes of the July 26, 2022, open session (Attachment #2) be approved as submitted.

The motion was seconded by Jeremy Bender and unanimously approved.

Miss Gray reviewed the Revenue sheet (**Attachment #3**), and the monthly Financial Expense report for the month of May 2022 (**Attachment#4**). Miss Gray indicated that the spreadsheets look different due to her itemizing entries instead of combining all topics. Miss Gray stated that you will notice on the spreadsheet that in July salaries are lower due to the year end closeout but it does even out in August. Canal Place has one last loan payment due to the state for the updates to the railway station building updates listed under the 600 series (698). The 800 series for July under engineering was for Bill Atkinson's final payment which was shared with Allegany County, and August was for CEC Contract for \$60,000(River Park Project), and listed under Building/Road Repair/Maintenance in the amount of \$7,962.60 was for the annual elevator inspection service to Otis to include repairs to various doors. The revenue has slimmed down a bit and this spreadsheet has been itemized as well and placed in specific categories. All rent for tenants is paid and up to date. We do have one tenant who pays about three times a year instead of on a monthly basis. Otherwise, all revenue for July and August is within standard procedure.

The following motion was offered by Bob Smith.

RESOLVED, that the Financial and Revenue statements for July & August FY23 be approved as distributed.

The motion was seconded by Mayor Ray Morriss and unanimously approved.

IV. EXECUTIVE DIRECTOR'S REPORT

Ms. Ritchie highlighted her Executive Director's Report (**Attachment #5**), by stating:

The Indiana Pioneers stopped by the train station to dedicate a bench & plaque that they donated to commemorate their ancestors who passed through Western Maryland on the way to Indiana via the National Road & the C&O Canal.

Attended Maryland Associations of Counties Conference with Maryland Coalition of Heritage Areas Directors.

Met with the state of Maryland's DoIT staff and their contractors regarding cybersecurity testing on the CPPDA/PWPHA website.

Attended Jane Gates House dedication ceremony.

Hosted Congressman David Trone to discuss River Park at Canal Place project.

Fiber is coming to Canal Place! Staff have been working with the Department of Housing and Community Development and Allegany County to bring fiber to the Western Maryland Railway Station. This has been an on-going process and we are very appreciative of the help we are receiving to install this much needed service. Tenants in the station will also be eligible to connect.

Canal Place has been asked to have at least two Electric Vehicle car charging stations at Canal Place. It is still early days, but the project would be at no cost to Canal Place so we are hopeful that it can be completed.

Participated in meetings with Fayette County, PA Economic Development, Friends of the Blackwater, MD Department of Planning, and CEC Inc. to discuss trail connections in all three states.

Continued to work with SB & Company on the FY audits.

The city of Cumberland has made it to Round 2 of the Levitt Grant competition. Thank you to all who supported this effort.

Completed annual certification for the state Agency Benefits Coordinator.

Submitted FY24 budget to Department of Budget and Management (DBM) and continue to answer the follow up questions. This too, involved many people that are/were wonderful to work with.

V. NATIONAL PARK SERVICE UPDATE

Mr. Anthony Bates reported that shuttle service is now operational from 7:00 a.m. until 5:00 p.m., Monday through Friday at the Paw Paw Tunnel weather permitting, and N95 mask will be available for visitor use on the shuttle ride. The

search for a ranger at the Cumberland facility is in its final stages of recruiting to fill that position. The bronze mule that stands in front of the new C& O Canal Historical Park Headquarters has been officially named Paw Paw as a result of a contest started by the C& O Canal Trust. Mrs. Keane thanked Mr. Bates for the update.

VI. OLD BUSINESS

- **River Park Update**

Ms. Ritchie stated that we remain in a holding pattern until we get an update from office of tourism on the grant that we have submitted to them. This grant proposal was to find an engineering team to give us estimates on sediment removal, mitigation, and other items along those lines. Also, follow up from the meeting with Congressman Trone, a meeting with the Mineral County Development Authority on October 20, 2022. We would also like to get the mayors from Ridgeley and Carpendale, WV involved in attending this meeting.

VII. NEW BUSINESS

- **Status of Current RFP/Contracts**

Ms. Ritchie stated that she wanted to update everyone on the status of all of the contracts that our legal counsel, Adam Snyder has been assisting Canal Place with since our last meeting. We are in the process of getting a bid out for our FY22 audit. Ms. Ritchie indicated we are trying to negotiate a contract with Flash Parking, and collaborate with the City of Cumberland with this project. The proposal includes 2 kiosks, with one being placed here at the station, and the other one to be placed by Breezeline satellite dish (formerly Atlantic Broadband). Our plan is to lease the equipment so as to ensure easier access to the maintenance of the kiosks, and not have to depend on a contractor for maintenance and/or repairs. Acorn Hill Strategy proposal for the boundary expansion we are trying to adjust the amount we need for the boundary expansion, we thought we had enough funding for that, but because one of the grants did not come through we only need \$6K in additional funding. In conclusion, Ms. Ritchie stated that we are also looking at an agreement with the Community Trust Foundation and any donations that would come through for the River Park.

- **Mini Grants FY23**

Ms. Ritchie stated that we did receive \$25,000 from the Maryland Heritage Area Authority to distribute any mini-grants for tourism related projects for qualified entities within the heritage area boundaries. Tomorrow, September 28, we will be holding a mini-grant virtual training to go over the application process, and answer any questions about the mini-grants, the mini grants that are available right now and they are valued between \$500 and \$5,000 dollars. These are grants that have to have a one to one cash match. The applications will be due to our office on October 26, and they will be reviewed and the awards will be announced the week of November 16 so that Canal Place's FY close out will be easier. Ms. Kelleher noted that she would be unable to attend the mini-grant training, but asked if she could reach out for any questions she has, and Ms. Ritchie responded that she could.

- **Future Lease Rates-**

Ms. Ritchie wanted to bring this new business to the attention of the Board of Director's for consideration. One of the current tenants at the WMRS was not in favor of the standard 3% increase at the time of the renewal of their lease. The Shops at Canal Place get a 2% increase at the time of their renewals. Their increase is lower due to them paying for their gas and electric. We do pay for the water at the Shops, but pay all utilities for the WMRS except for their internet. Ms. Ritchie stated that if accept this exception for one tenant, we would have to make this exception for all tenants. Mrs. Keane asked if there were any questions regarding Ms. Ritchie's stance on lowering the increase for this tenant, and there were none. Mrs. Keane asked to a motion for this policy to continue in its current status.

The following motion was offered by Mr. Jeremy Bender

RESOLVED, that the current policy regarding a 3% increase be implemented at the time of tenant choses to renew lease remains intact.

The motion was seconded by Mr. Bob Smith and unanimously approved.

VIII. PUBLIC COMMENT

There was no public comment

XI. NEXT MEETING DATE

The next meeting of the Canal Place Authority is scheduled for Tuesday, November 29, 2022 at 1:30 p.m.*through Zoom if need be due to Covid-19 restrictions

Mr. Smith made a motion into closed session. The board will now adjourn this open meeting and proceed into a closed session to perform an administrative function, namely, to discuss the management of a certain property owned by the Authority and negotiations with potential lessees.

The motion was seconded by Mayor Ray Morriss and unanimously approved.

Closed Session Attendees: Janice Keene; Rebecca Ruppert, Stu Czapski, Ray Morriss, Jeremy Bender, Bob Smith (by phone), Deidra Ritchie, Nicole Gray, Adam Snyder and Crystal Lloyd.

X. RETURN TO OPEN SESSION

The Authority returned to open session at 2:11 PM.

No action was taken in Closed Session.

XI. ADJOURNMENT

Mr. Czapski offered a motion to adjourn the open session.

The motion was seconded by Mr. Morriss and unanimously approved. The meeting adjourned at 2:35 PM.

Respectfully Submitted,
Janice Keene,
Chair