



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
April 14, 2016

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on April 14, 2016 at 5240 Knowledge Parkway; Erie, PA. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Bagnoni, Mr. Barney, Mr. Domino, Mr. Paris, Mr. Peters, Mr. Sample, Mr. Yaple. Mr. Wood, Mr. Breneman, Mr. Lee, and Mr. Wachter are also present.

NOMINATION OF OFFICERS

Mr. Paris makes a motion that the current slate of officers continues in their roles for another year. That slate consists of Mr. Sample as chair, Mr. Paris as vice-chair, Mr. Peters as treasurer, and Mr. Yaple as secretary. Mr. Barney seconds the motion. Mr. Bagnoni makes a motion to close the nominations. Mr. Barney seconds the motion. Motion carries 7-0. A roll-call vote is taken, and Mr. Paris' motion carries 7-0.

APPROVAL OF THE AGENDA

Mr. Peters makes a motion to approve the agenda. Mr. Yaple seconds the motion. Motion carries 7-0.

APPROVAL OF MINUTES – March 2016

Mr. Peters makes a motion to approve the minutes. Mr. Bagnoni seconds the motion. Motion carries 7-0.

COMMENTS BY THE CHAIRMAN

Mr. Sample welcomes everyone to the meeting.

PUBLIC COMMENT

Amanda Brown Sisseem, Erie Arts & Culture: Thank you for giving us time this morning to address the issue of distributing Lead Assets funding for the calendar year 2016 and beyond. I represent one of the Erie County Lead Assets but also act as part of a group on behalf of all of the Lead Assets this morning.

We've met several times since mid-November to look at this transition for the Lead Assets from annual funding from your budget to annual funding through the Lead Assets Endowment. We're going on now over five months of this process, and what I'm asking you for today is an opportunity to expedite and for us to bring this to a close.

The last time I was here was in January, and at that point in time we had worked through the offer of a contingency fund that would help supplement what can come from the Endowment now and then an additional deposit into the Endowment to help grow that a little fast for us, so that, hopefully, we can get to the point where the funding is somewhat more stable than what's available to us today in the Endowment as it's not really mature yet for us to withdraw from.

At that point in time there was discussion of an acknowledgement and release that we would sign so that we would acknowledge the fact that you've expended the funds as required in 2010 to the Lead Assets. That was given to us in mid-February, so about a month later. That was then presented back to the Lead Assets. They took it to their boards, and none of the boards was comfortable in signing that as it was. We came back on March 3 with our concerns, really around one particular area.

As you know, over 70% of the funds expended were expended to the Lead Assets Endowment, and we really have had very little information besides the fact that it exists for us. We don't know what that means, really. We don't know how the funds are going to be drawn on it. There's no language around annual draws from it. And, honestly, we wanted an advisory role in helping to understand it better, helping in the management process so that we can better budget for those funds every year.

Those funds impact our annual budgets. As you know, all of the Lead Assets have other endowments that are really designed for our long-term sustainability. This money is critically important to us in our annual budgets. In thinking about how that Endowment will be managed, that really becomes most important to us.

On March 3, on behalf of all the Lead Assets, our concerns and then what we thought may be recommendations to addressing the concerns and then what we were offering to do as a part of that to be an active part of the process. I thought I was coming here today because we had no next steps on that process.

Late yesterday morning we received a new MOU that will be secondary to the acknowledgement and release, which addresses some of the management issues of the Endowment, and then a revised acknowledgement and release in a separate email a little later in the day.

We've had very little time to review that, honestly. It's gone out to a small group of Lead Assets that was designated to help try to negotiate this process. And we have some questions in it that we'll need to sit down and address. What I'm asking for at this point, and I think you can tell by the concern of the Lead Assets from being here today, is that we really need to work to expedite this, to bring it to a successful resolution for everyone. That's always been the intent. I'm hopeful because we've all stayed at the table since mid-November that we can do that. I feel like it's close when I think about where we've been and where we're at today.

I would ask that this board consider a small group of a board representative, your executive director, your solicitor to work with us to get this done by the end of the month so that we can release funds to organizations. Organizations are suffering. This has been on the back of state budget delays that we've dealt with all year, and then the impact of that locally on other revenue streams. And then this reliable and sustainable funding, we're now in the middle of the 4th month of the year, have not had a release since December of 2014.

We need these funds. We need to bring this to a resolution, and, again, we think we're very, very close to that. But we would ask that at this point that you put a process in place to help us expedite that so that we can move as quickly as possible. Or, if we feel like we need to take additional time, that the portion of the funds that are from the Endowment that were not to be contingent on the acknowledgement and release, be released to us at this point, which would be approximately half of our year's funding. That's an option. I've asked for that option twice before already this year.

I would ask that you consider both of those and that we move together to expedite and finalize this process. Thank you.

Sample: I think there's a little miscommunication, and quite possibly I'm wrong. There is a definite separation between the MOU and the other.

Wachter: Right. So, part of the issue is what this board specifically authorized Perry and myself to do is to negotiate the release and acknowledgement with your group. We presented that document, and you received it back with some of the changes that you requested, and that is the document that we have the specific authorization to negotiate and approve without having to come back to this board again. And that the release of the million and the availability of the \$300,000 on the contingency fund are contingent upon receipt of that release and acknowledgement.

During that negotiation process, and this is not to be adversarial, but just to understand our limitations as well, during that negotiation process, you guys came back with a very good idea, quite frankly, in how to address the ongoing management of the Endowment and our relationship with moving forward. Since you have done the good work of bringing everybody today, let's take advantage of this opportunity to work it out and have a sense of finality with it.

However, that is a separate issue from the release and acknowledgement. The release and acknowledgement is solely for the purpose of saying, "Yes, we acknowledge the fact that you've complied with the settlement and that the \$300,000 and the million are actually an extra level of compliance." And so you sign off on that and you get all of those, and we're done.

The question on the MOU is an agreement that, quite frankly, Perry and I do not have the specific authorization from this board to negotiate and approve without bringing it back to the board. And it was only this morning at the caucus prior to this board was the first time that we had the opportunity to explain the MOU to this board and receive a conditional head-nod that we're going in the right direction.

We're probably less nimble than the state legislature because we do only have the power to act at monthly meetings. So, unfortunately, that's the reality of our limitations as to how fast and how quickly we can move. So that MOU has been presented. I think it addresses all the concerns that you guys had. We look forward to receiving your comments, and we'll move as quickly as possible with respect to the MOU. But I would caution to not tie the two things together, because while in a timing sense, it makes sense to run them together, but we don't have to wait for the MOU to be completed for the release and acknowledgement piece to be completed.

Sissem: Thank you for that explanation, and thank you for a better understanding of your timelines and how they work too. One of the reasons that the MOU has come about is because the concerns that we have with the acknowledgement and release are specific to – I'll read to you what was sent back. And we asked for language in these areas to address the concerns, remembering that over 70% of the funds expended sit in that Lead Assets Endowment.

“Our concerns include clarifying that the Lead Assets Endowment is reserved for the sole purpose of providing reliable and sustainable funding to the named nine Lead Assets. That the intent is to provide annual funding to the Lead Assets”, as I just said. That's what we use this for. “And, finally, that ECGRA will work with the Lead Assets in an advisory role to better budget support from the Endowment on an annual basis so that we can manage those funds.”

And then we sent recommendations. And the recommendations are much of what is in the MOU as well as some other language. If those issues can be addressed, which I think are pretty common sense issues when 70% of the funds that we're counting on are sitting there in that Endowment. We need to be able to convince nine boards that that document is going to protect those organizations for that annual funding, and they have confidence in it so that they can sign it. That's really where we're at in sending back those concerns saying, “Please add language around these issues into that document so that we can get that signed.”

The MOU we looked at as a tool to help give that confidence that this might be how this works so that then boards can sign that document.

Wachter: However, it is that you guys are looking at it, I mean, that's fine, but the way that this authority is looking at it is that the release and acknowledgement is solely for the purpose – look, there was a court-ordered settlement that we've complied with from a monetary fashion. The language says that the money must be spent on the category of dedicated regional assets, and this board had the discretion to determine how to spend it on the category of dedicated regional assets, and that's been a five-year process in order to put that all together. We are where we are whether we like it or not. That's where we are.

The release and acknowledgement is that we're done with the settlement – just so there's no question as to whether the money has gone out. We're all on the same page. The future agreements that we'll all work together to do certain things with respect to the Endowment, that's a separate issue from the release.

When you sign a release, only the party that is doing the releasing signs it. So, quite frankly, it doesn't have any legal effect in there as the Gaming Authority isn't going to sign it. A release is a one-way release. We have nothing to release you from. So, that document gets signed, and then the MOU is the document which should handle the specifics of the concerns which you raised, which were very well taken. That's why I think there is a belief on your part that the release in some way will bind both parties, and it does not. The release only says that you release the Gaming Authority, and “Yes, you've complied with the settlement.”

Sissem: The release part of it is where the concern is at that without confidence around access to that Endowment...

Wachter: Well then sign the release at the same time that you sign the MOU. That's what the MOU is for.

Sissem: That's why we think the two together, actually...

Wachter: And that's your timeline.

Sissem: are probably how – that's the best shot, I think, of raising the confidence for everyone to do it. But what I'm hearing back from the Lead Assets boards is that, “We are not comfortable signing a release until we better understand that component of it.” An MOU helps to do that. But what I'm asking for at this point is, we're now five months into it. I would ask that a

small committee work diligently with us, hand in hand, to get this done. It is not only hard on individual organizations; it is much harder for us to work as a collective. Every month since last year at this time my board has been asking me for what is happening with these funds. That's every month on every single one of these boards, including yours. So, we need to bring it to fruition at this point. I would just ask again if there's a mechanism that you can put into place to work directly with us. We have selected a small group. We're very comfortable continuing with that small group unless you would like other members added. But we need to keep it moving, and we would love to see it finalized, and I'm sure you would as well.

Sample: We would love to see it finalized as well, Amanda. You guys have been very helpful in meetings. I guess what I would say is have your people take a look at the MOU that you just received yesterday and let us know where you're at. The one thing that I have trouble with is that we as a group met the obligation I believe two years ago, and we continued showing, I think, in good faith that we want and we need the Lead Assets to do well. In our meetings you've told us and we've told you, we have no desire to micromanage this. That's the last thing that we need. We've tried to be fair when the county stepped away from everything. We were given the task of doing this. We've funded it, we've put a contingency fund in. We want to move forward. I would ask that you people read it, get to Tim and Perry, and we'll come up with a vehicle. If necessary, but I don't feel we're far away, I just think that you need to view the things as two separate documents. One does not count on the other. The release and acknowledgement says that, "They basically did what they said they'd do, they've complied, they've given us the money." We have no desire to try to take the money from you.

Sissem: But we don't have access to that money right now. So for 4-1/2 months as we've been having these discussions, we don't have access to that money.

Sample: And we understand that. But part of that...

Peters: Can I comment? I want to move this meeting on. We've got a lot of stuff to do here on this agenda. To your specific request, if that were brought to a vote, I would vote, "No". Last month we voted to authorize negotiations with Mr. Wachter and Mr. Wood, which I to this very moment believe is the most expeditious way for us to move this forward. I think Amanda came with one question, and that was the question. I will go ahead and speak up first and say that I have no interest in changing what we voted on last month, which was to have Tim and Perry negotiate through this process. I think it's the most expeditious way.

Sample: And I agree. We've got the vehicle. Let's go forward with that. It's about as small a group as you can get.

Barney: So, what you're stating is that the two individuals that make up the small group that we're allowing to negotiate with you isn't enough? You need more?

Sissem: I think that a board representative included in that would be beneficial. I think that our concern is the timeline at this point. I just kind of gave you a recap of when we sent a response, when I received a response. We need to move faster. All of our organizations have to move faster on this, but we understand completely, and we advocate for it being handled now, and being handled right, and doing it well. That is to everybody's best interest. We don't want to go down this road a year from now again. But we've got to keep moving on it.

Sample: Let us do this. We've got Tim and we've got Perry already authorized to work with you. They know the boards' wants and needs and what we want to get accomplished, which hasn't changed from two years ago. Let's go forward with what we've got. And I assure you it will not be an issue. The issue is going to become getting nine people plus our board to agree on something. Ultimately there is this word called *compromise*, and it's going to have to happen.

Breneman: Have there been any meetings yet between this small group and those gathered in this room?

Sample: Perry and I met with Amanda before, and then last meeting they met. But they just got the MOU yesterday.

Breneman: But there is going to be a series of meetings that will...

Sample: They've got to review the MOU. They've got to get their side of what their objection is before we can react.

Breneman: I'm just asking if there is going to be any talking. Because I hear no talking. I'm just wondering...

Wachter: If there's a need to be talking, that's great, but essentially we need to get their reaction to the MOU, and, quite frankly, the reactions that they sent to the release and acknowledgement are what resulted in the creation of the MOU. So we respond to the reactions, draft the documents, get them out, and we need another reaction. I commit to you that I will have responses out as quickly as humanly possible, within 72 hours of when Perry and I are able to discuss it. This board only learned about it today, because it wasn't a part of the conversation last month.

Breneman: Is that the issue, though, the delay?

Yaple: The fact that we meet just once a month. And it's government. We're tight.

Breneman: You can do special meetings, though. I just want to point that out. I know everybody is going to hate me for saying that. In the bylaws you can have special meetings.

Sample: But let's find out if there's a need for it. Right now they've got to get to review the MOU.

Yaple: And we'd love to give them the money. Seriously. We want to move on too.

Sissem: I think it would be helpful in the process, if, literally, we were able to get in a room together and sit and talk things through...

Peters: Not to interrupt, Amanda, but no individual board member here has the authority to do that. It doesn't work that way. We are a government authority. You get some small group of us together, I can't speak for Jim Domino or Mike Paris or Dave Bagnoni or Dave Sample, and they can't speak for me. I am vehemently opposed to creating additional meetings when we have a process in place that should work. And my position on this is that, yes, you have a big job. There are nine groups that have to get together on your side. Our side is actually pretty simple. We negotiate back and forth, get it to a final form, and, theoretically we should be able to be done by next month. Yes, it took five months, but it takes time. And it sounds to me like we're at the end...

Sissem: When a document is sent that is this important and this in-depth, and there's not even a walk-through on what's in there, why it's in there, what's important to this group. We're left to just take it back to groups and hope they understand that. And we're trying to work out that side of it so that when we respond, we're responding with the understanding that we have. It just isn't the most effective way of us all coming to a conclusion on this. I'm not asking for a small group to approve anything. I'm asking for a small group to help walk through it with us, understand it, and then be able to discuss why these things are important to both sides.

Peters: I would request that, Tim, you have those conversations in conjunction with Perry...

Sample: And that's exactly what was authorized last month. I mean, the person that can do that is Tim. Because, again, we want to be rid of the funds, but we want to do it within our framework. That's why we authorized Perry and Tim. We can say anything we want, but we're not going to do anything until we find out that it's within our framework.

Peters: I'm assuming that you are keeping your solicitors involved?

Sissem: We each have a solicitor. So, yes. Every board has at least one attorney on it, and each is looking at this too. And, obviously, there can be interpretations all over the place on this. So we're trying to streamline that as much as possible.

Sample: So get their questions, and we will address them. We need to move on.

Sissem: I appreciate your time. Thank you.

Sample: Is that the end of public comment?

PRESENTATIONS

- a. TJ King, Bridgeway Capital, Ignite Erie Inner-city Small Business: Good morning everyone. My name is TJ King. For those who don't know, I am the director of the Erie region for Bridgeway Capital. We are a recipient through the Ignite Erie program. We're appreciative. We've received a couple different investments - One to promote lending to small businesses within the city of Erie. That was a \$100,000 investment last year. And then recently we received a \$1,000,000 investment to support our lending operations within Erie County. Bridgeway Capital appreciates it, and I appreciate the support that the Gaming Revenue Authority has shown to us.

I just wanted to talk a little bit today to give an update on both programs. What we're doing to deploy those funds. What our plan is to increase deployments of those funds, and then talk a little bit about impact and other things that Bridgeway Capital has going on throughout Erie County and then all of western Pennsylvania.

To recap on the Ignite Erie Urban Entrepreneur Loan Fund – that was a \$100,000 fund to lend to businesses specifically within the city of Erie. Those loan amounts are anywhere between \$5,000 and \$20,000. To date we've approved two loans. I'd like that number to be higher. One was for a deli, and the other is for a barber shop on Parade Street. A total of \$35,000 of that has been deployed. I feel it's important – these are smaller loans between \$5,000 and \$20,000. We held an event last May at City Hall to introduce Bridgeway Capital, introduce this program, and from that event, as we had only funded two loans from there, we've had opportunities to fund larger loans that fell outside of that parameter.

For example, about two weeks ago, from some individuals and some business owners within the city that I met at that event, we funded the purchase of a daycare, Learning Ladder Early Childcare Development Center, in the 25th block of Peach Street. Two African-American business owners, the husband and wife, own this daycare. They were leasing the space – it's a 12,000 square foot building that they currently occupy. They were capped with the space that they had to expand, and there was a demand for more enrollment. They had the opportunity to purchase the building off of the owner. They didn't have the capital, the 20%, to put down on the building. I think the sales price was \$162,000. We were able to step in and finance the purchase of that building for them to allow them to expand from the 6,000 square feet that they occupied. They now have two floors and can expand to the second floor and obviously do whatever they want with the 12,000 square feet of that business.

These are some opportunities that have arisen that fall outside of the parameters of the specific requirements for the Erie Urban Entrepreneur Program.

Another one, a gentleman that I'm working with now for the acquisition of three parcels of commercial properties on 18th and Parade. I just met with him, just got an

application, and he wants to purchase those properties. I think there's an auto repair shop on the one parcel that he's going to take over. There's a building with upstairs apartments that have been vacant and need some work to be renovated, and some storefronts right along Parade Street. He's got an idea to renovate those apartments, to lease those out, and then future commercial opportunities right along Parade Street and 18th right on the storefront. And that was another gentleman that I met at the event that we had last year.

It's opening up opportunities for more loans above and beyond what we can do with the Urban Entrepreneur Funds. That leads into the other investment provided to Bridgeway Capital, the million dollars. And these are types of loans that we can fund with that investment. To date, I believe we closed on that back earlier this year, and about a month ago we closed on our first loan with that. It was a \$150,000 loan to a microbrewery in town that was an existing client of ours that we provided, Erie Ale Works. We ask our bars to sign a public relations consent for events such as today, and they agreed to it. So Erie Ale Works, we provide funding for them to purchase equipment, renovations to their leased space to get up and running. They came back to us looking for additional funds to help expand their territory where they can expand their distributorship to other parts of western Pennsylvania rather than just the one distributor that they're locked in with right now. So that means we refinanced their existing loan and added another \$80,000 worth of debt for them to purchase more equipment, more inventory and actually to hire someone to help with the sales aspect to expand their market.

That's what we have funded to date through the investment from Ignite Erie. We're really excited about that. This year is going really well for Bridgeway and for small businesses within Erie, at least from what I'm seeing. So I wanted to talk to you about what we've done overall. First let me back up to how we plan on increasing the deployment for those specific projects.

To date, my role as director of the Erie region, that covers Mercer County to Clarion County. We've realigned some territories for loan officers for Bridgeway Capital. We have another gentleman that's been with Bridgeway for 3 years now who is going to have more of an impact and presence in the southern counties – Mercer County, Venango and Clarion Counties – to help me focus more on Crawford, Erie County, Warren County in northwest Pennsylvania because the demand is there. I'm excited about that, and I can allocate more of my time to focus on these specific programs. So that means working closer with local government, with the community organizations to really push these loan products so we can have a bigger impact within the city.

On top of that, the past 3 years we've held annual events. They've been at the Sheraton Bayfront. They are typically around May. This year we decided to hold off on that, and what we're going to do is we're going to hold an event, and I'll make sure that Perry gets the invitation so he can invite the board members, but this is going to be in mid-June. Maybe to have more of an event to talk about Bridgeway Capital and some of these products with more of our referral partners. We're going to hold this at Erie Ale Works. It's going to be a casual event with our lenders, with community leaders. We're going to invite them to talk about these programs, specifically Ignite Erie, other funding sources that Bridgeway Capital has, and other products that we can offer to businesses in the area. From that way, us as an organization, that's how we generate referrals, and that's how we've done a good job with deploying the funds that we have. So I think we're

going to focus more on that this year. Not to say that we won't go back to that type of event at the Sheraton Bayfront. But we also want to patronize some of the businesses that we've worked with to promote their businesses and purchase products off of them. I'm excited about that. The invite should be going out shortly. I'll make sure Perry gets that so that he can distribute that to the board members.

If you don't mind I'd like to talk about, and please stop me if you have any questions or if I'm going too long or rambling, but I want to talk about this to date, our fiscal year started October 1, so to date we're about halfway through our fiscal year. We've funded just under \$1.1 million. That's 11 loans. Eight out of those 11 loans were specifically here in Erie County, and I think that's because the more time that I have...

Wood: That's the first quarter of the year?

King: That's the first half of the year. So we're just under \$1.1 million. That's through our slow time of the year coming through the winter. What we have going on right now, right now I have about \$637,000 worth of loans ready to close. These are businesses just in Erie County that will close before the end of April. We're working on five more deals currently, that are in our pipeline and being underwritten for just over \$2.1 million. So we have a viable pipeline for Erie County specifically to fund almost \$4 million this year for small businesses, and these are...

Wood: That is incredible, because, if I look at the numbers in Northwest PA, Mercer County was getting funded the highest levels, and I kept looking at your funding for Erie County and saying, "What's going on?" So can you talk about off the cuff about how that compares to past years?

King: So this is our fourth year that we've had an office in Northwestern Pennsylvania. Those numbers are kind of skewed. There were some larger projects that took place in Mercer County – a larger retail business that we funded – it was a million-dollar loan that we funded for the acquisition of a building that they were looking to relocate, which helped them grow, and now they are adding a second location that we're looking to do another loan with. There was another real estate development project for the construction of a commercial building in Ferrell, Pennsylvania that was about \$700,000 that we provided the construction financing for. So those were both highly impactful projects for the Mercer County region, but since then, we've funded in the four years just over \$6 million, and I'm sorry, I could get the exact figures, but we funded just over \$6 million dollars specifically in Erie County. Then after this year is done, I mean we've got some larger projects that we're working on – impactful projects for some local manufacturers to help expand and offer some long-term financing – so those numbers are going to balloon, and you're going to see that they have ballooned already, and it's just going to continue through our year-end of September 30.

Peters: That's great. It's so exciting to hear that, T.J. The referral network that you talked about and the event at Erie Ale Works, and we all heard that, could you talk about the referral network? How you're getting leads?

King: They're from all over. We primarily used to rely on our relationships with the banks as funders to fund our lending operations, and our relationships with the lenders, and that's primarily how we got our referrals. I'd say we still get about 50-60% of our referrals that way. We've developed some relationships with an accounting firm in town that's one of our business education consultants that we refer microloan borrowers, new businesses to them. They help set up their QuickBooks, their financial statements. I've gotten a couple large transactions for some new loan products that we currently have

from that accountant that will fund two of those deals. They're larger deals, but there's a benefit. Those are impactful deals in the region. We've gotten deals through the Ignite Erie program through the Urban Entrepreneur Program. We're getting referral sources from all over, which is great, and I think that it was our plan. We need to have a face in the community, and we need to be out there talking about what we do. Not so much just to the lenders in the area, the accountants, but to people, the residents of Erie County, to let them know what Bridgeway Capital...

Peters: I'm really excited to hear that, because although the banks are your investors, it's CRA, and to get referrals from those that are not the banks that are saying, "No", to the deal, is kind of good. It seems to me that the quality of deal must go up.

King: Yes. I shouldn't say surprisingly, but I think we have resources to support our entrepreneurs. We've funded in just Northwest PA in the last four years a little more than \$12 million, and so that's Erie County, that's throughout Mercer County to Clarion County. To date we have one loan that's gone bad. Out of a portfolio of 65 loans, and it was a \$29,000 loan for a retail operation that we knew going in was a risky transaction and we were prepared to take that risk. The quality deals, maybe we could be taking more risk. In my opinion, that could be a thing, and we address all those things internally, but I think it's easy to just provide a loan to someone, and that customer, they have a relationship with the bank, a positive relationship, and, typically, in the past we were on the outside of that. It was more transactional, and now it's turning into more of a relationship. We're working with our borrowers. If they have some tough times, we can allow for interest-only periods. We can provide loan deferment to help them get back on track – remodel loans to ease the financial burdens for some businesses. I think that's important.

Sample: TJ, in rural areas of Erie County there is no loan presence at any bank in Corry. How do you get that fall-down to come into a market like Corry? We've got Rick Novotny doing some stuff, but Rick isn't always the best at bringing other people on board. Perry, Tom, and I sat through a meeting the other day where there were some ideas of the city to build a microbrewery, and some other things. I know that funding is going to become a question in those processes. I think the same would be true in Union City, perhaps Edinboro.

King: To answer your question, just this year we've provided a loan for a building supply company in Union City for them to acquire the building. You're right. Those outskirt areas of Erie County, we need to have more of a presence. I work with Rick. We've partnered on multiple deals. He's aware of what we can do, which is helpful, but I think it needs to go beyond that. Maybe introductions for myself made to other leaders in Corry and those communities out east. I'm not one to make excuses, but I had more time allocated to this region than I did in the past. So, moving forward, that would be able to happen.

Lee: First of all, TJ, I'm extremely pleased with Bridgeway and what they are doing in the region, because you guys are definitely filling a gap that has gone for so long in Erie County. In reference to the inner-city loan program, how many applications have you received since the inception?

King: Since the inception I'd say maybe five completed applications. Some of those folks we refer to credit counseling services. Some, things just fell apart. I've talked to about 11 or 12 individuals total. There hasn't been follow-up, or we never got past the application phase, because things fell apart. But the communication is there. It's been a

challenge, but we're working through it. We've got to find a new way to get that information out the public – specifically the residents in the city. That's what I'm working on.

Lee: I know that you have a great presence down in Allegheny County. As far as from a bench-marking perspective, what have you been able to take from Allegheny County and maybe tweak it for Erie County?

King: That Urban Entrepreneur Program that we're talking about started in Allegheny County. It was up and running for about two years, and that was a foundation in Allegheny County approaching us to start that program, to focus on seven specific inner-city neighborhoods within the city of Erie. That was brought here. We have a community development loan fund of about \$20 million for the renovations of commercial properties within urban areas, in low- to moderate-income areas, from five banks, I believe, and all those banks are represented in Erie County. We can utilize those funds in Erie County. We actually, to talk a little bit more about Bridgeway's growth, recently we received, this was earlier in the year, we received a \$5 million investment from Goldman Sachs. As we grow, we're more of a mid-level, mid-size CDFI, so we're starting to get some national attention from funding sources outside of the region. We're excited about that. We're working with Bank of America on another investment, since we've gotten some national attention. We're part of a bond-fund program to finance real estate. And those funds can be utilized throughout Western Pennsylvania. That's important to us. We received \$15 million in funding through the U.S. Treasury. There's a line item in the U.S. Treasury called the CDFI Fund. The CDFI Fund is to help support lending operations for CDFIs. It was introduced, I think, by Bill Clinton back in 1996, which really jump-started the CDFI industry. Recently we received \$15 million, and some of those larger projects that I talked about recently, we've been able to deploy some of those funds in this. So what this means is that we get funding through a bond program based off the 30-year U.S. Treasury, so that allows us to offer fixed-rate long-term financing. We can do 25-year terms, fixed, for that whole 25 years for real estate projects, for nonprofit / for-profit businesses. We're working with a manufacturer in the city right now that acquired an adjoining building that they're looking in to expand, and we're going to provide the funding for that renovation and refinance their existing mortgage to improve their cash flow by \$2,700 a month to help that business grow. These are resources that, because of our growth, we've seen in Pittsburgh and throughout Western Pennsylvania and in Erie. Some of the loans and the loan amounts and the impact we've had in Erie, that's helped us grow and receive some other funding nationally to bring to the community.

Sample: Thank you TJ.

- b. Jacob Marsh & Amy Bridger, Penn State Behrend, Ignite Erie Industry + University: Thank you. I will be as brief as I possibly can. I see some familiar faces, but for those who don't know me, my name is Amy Bridger. I'm the senior director of corporate strategy and external engagement for Penn State Behrend. About a year and a half ago we tried to put together a team of four universities – Edinboro, Gannon, Mercyhurst, and Behrend – to apply for funding through ECGRA Ignite. What it was all about, and there are a lot of details and a lot of activity, but I'm going to try and keep it at somewhat of a larger level today, is about projects. Student projects, community projects, whatever projects can get together for entrepreneurship, innovation, to try and kind of change that culture of how innovation, entrepreneurship, or intrapreneurship is viewed within our

community, collaboration between the four universities, which I'll talk about in just a second, and then leveraged investment – trying to make these funds count for a larger, greater good.

We were somewhat unsuccessful, actually, in the beginning, and I'm sure most of you know this. We tried to get all four universities together. We were only able to pull two together in the beginning. Mercyhurst and Behrend decided to continue on the trek, and at the same time, we had just decided we were going to write the other two universities in the grant anyway. With some key people at the other two universities, we came together and said, "You know what? We were unable to come together in this, but we are dedicated to making this happen, and we are somewhat going to fake it until we make it. And we are going to continue to throw ourselves into rooms together and continue to work on projects together until it becomes more natural." So, those were the three things we wanted to accomplish in a general sense.

In the last year we have a lot of different things that have come to pass. We have completed market analysis. We have two more in the pipeline. We have engineering projects. We have two start-up acceleration projects for businesses that are beginning. We have a large economic research collaboration involving six different entities and a bunch of different students and faculty members across the county. We have stood up three different laboratories in the areas of automation and controls, safety and security, and a maker space. I will say the maker space is just one - what we're hoping for is several across the county.

What's interesting about this is that we have all four schools united in different projects. All four schools have seats on the board. We routinely meet. We have 45 students involved in all four schools across all of these projects.

I want to talk about a few case studies and what we've accomplished in the last year, and what we're hoping to do moving forward.

One of the case studies is Camia. This is actually a Mercyhurst-led program with Behrend students. They are a Czech Republic company, and they are looking to break into the United States. Erie was one of their first picks. They wanted to address Erie. It was a personal connection to Erie, how they came to us, and so we put together a group of students and two faculty members to look at the market – what it would take to break into the market – and then refer them to different resources around the county that could help them locate here and start up a business here. They are actually very successful in the Czech Republic in the area of technology recognition, and traffic signaling – those types of things. They actually present in March, just last month, and we remain a major candidate for operations. I think their main decision point right now is whether or not they want to move forward with locating in the United States. Should they locate in the United States, it is my guess that Erie will be the top, if not in the top two choices, due to a lot of different factors that were uncovered during this market analysis. That's a really great story.

Secondly, Global Soap is actually a company that's not in Erie, and not looking to locate in Erie, but what I think is interesting about it is that they are a global nonprofit, and they came, actually, through a Behrend alum to us. They recycle soaps. They take all the soaps from hotels, and they recycle them and then do good things by giving them out from a hygiene perspective to other countries that don't have soap as available as we do here in the United States. But what they were left with was a bunch of bottles, a bunch of shampoo bottles, whatever. "What can we do?" And so they looked up our

plastics program here at Behrend and said, "This is a great place to look at what we could do with these bottles. Is there another revenue stream where we could take these bottles, recycle them, and then what could we do with the downstream effects of that?"

So, we actually have a Behrend and Gannon collaboration going on right now to look at what, from a materials standpoint and then also a business and market standpoint what they can do. I think what's interesting about how we wrote this award, and, by the way, it was \$750,000 as part of a \$1.5 million project, is we require every single project to have university representation from more than one. And I have been thinking through who I should give credit for that statement in the grant application, and I can't remember exactly who it was. But we take great pride in enforcing that with absolutely every project with no exceptions. So, whenever you see a project, you'll see, "Gannon Lead", "Behrend Supported", "Mercyhurst Lead", "Edinboro Supported", whatever it comes up. It's always a collaboration, and that is one of the things we wanted to drive home in the grant.

One other initiative that I think you're going to see coming soon in the press is that we had committed to providing the Erie County School Districts all with 3D printers. They have their choice of printers and what materials they have. I think what's really cool is we have 3D printing clubs across several universities. They are going to be providing the support. So, if the school districts get the printers and they are looking at it thinking, "This is really great, and I have no idea what I'm doing with it," they can call the students, and they will come out to the schools and actually help them get it up and running or troubleshoot it from afar. We have talked about adding some Go-Pro cameras so they could do it remotely, but I think at this point we're going to keep it really simple, get the printers out to them. We also received funding for six more high schools to cover the entire Erie School District, and some other folks, and those will be rolled out before the summer.

And those are the three makes that we have. We also had a subcommittee comprised of the school districts and some folks at some different universities that actually drove around and looked at some of these printers and visited some of these sites. The Boxzy printer at the bottom is actually a Pennsylvania-based start-up. And I encourage you, if you haven't seen them, you should look them up and take a look at them. But they are one of the options.

Just some cool collaborations that are going on. The one that I've actually spoken about at several national conferences is an intelligence and security laboratory, because we have something called the "ShotSpotter". Gannon University is actually probably three years ahead of the other universities in terms of drone research right now. And so we are leveraging that. And I have what I call my "transparent moles," a student named Josh Lechner, and another student, John Nowakowski, who go and hang out at Gannon during their drone club meetings, and they hang out there on Friday nights, and they put things together, and they break things, and they send me videos of what they're doing with drones. They are working with Erie Insurance, the Erie Police Department, Gannon, and Mercyhurst, and Behrend, altogether, to do this ShotSpotter project where they will be able to triangulate alleged fire-arm discharges and then be able to send a drone in to get a view of what's going on before the police even maybe respond, feed that back to the police so they have a better of who's running, who's not running, what exactly is going on. At the same time, Mercyhurst has the ability to scrub social media, because while witnesses don't seem to be willing to come forward a lot,

what they are willing to do is to go on Facebook or Twitter or whatever social medium and say, "Chris just flipped out on so and so in the square," or whatever they want to say. It's a large project and has a lot going on, but what's really cool and what people ping off of this the most is that Gannon has a match of \$2,000, our ECGRA award put in about \$5,000 for hardware, and Behrend – we had a \$3,000 gap. Behrend has ties with IBM, something called the "Smarter Cities Plan." We get funding from them on a pretty regular basis. We actually made the deal with IBM to support Gannon for the additional \$3,000. And we didn't really think much of it at the time, but when I give these presentations at all these conferences, I have had more than one university stand up and say, "If I'd helped another university get \$1, I would have been out on my can." So that's just the leverage that we were talking about. How to leverage this for the greater good and bring our resources and connections together. So I'm pretty proud of that one.

We also have an Erie Bluff Renewal Project where they are going to be using drones. The Gannon folks are working with our science folks to map bluff erosion as part of a \$750,000 award from NSF.

I hope everyone has seen Quickstarter. Quickstarter is actually a methodology that Kris Wheaton developed at Mercyhurst. He has been in the newspaper quite a bit. It actually is probably one of the biggest game changers for our region. If for some reason you don't know this program, you should. Look it up, understand it. Erie, if I could put a plug in for it, was woefully behind the national average when we started – I think, if I can quote him, like 10% success rate in terms of crowd source funding, which is Indiegogo, Kickstarter. The national average is about 30% success rate. Under Chris Wheaton's methodology, he's running at nearly 100% success rate. So we fund through this 25 of those projects a year so that the entrepreneurs don't have to pay that money. I think that what is interesting is he's relatively conservative in what he thought an average raise would be, so his goals were about \$34,000, and he's raised over \$108,000. And keep in mind, that's money from both inside and outside Erie County coming in, and we have eight more campaigns in the pipeline. Cannot talk about this enough.

The next version of this, by the way, is even better, which is he has leveraged the Innovation Collaborative to go out and talk to failed campaigns in other cities, going out to let's say, Cleveland, or Pittsburgh, or Buffalo, and go through the failed campaigns that Chris thinks would have had an option if they'd gone through his methodology to bring them here to be more successful. Best idea I've heard in I don't know how long. Really, really cool. So, keep this in mind. This is part of Mercyhurst.

So I am going to talk numbers, I am a numbers person, so I'm just going to talk numbers just briefly, not from the standpoint that we're under budget, no worries. But I wanted to point out the match. This is just year one. So we have an industry partner match of \$165,000 investment in Erie County. My guess is that will double. They are actually not under their budget – fortunately for us and unfortunately for them. We had anticipated being at about \$366,000 right now in match, and we are well over it at \$411,000. So I'm quite excited about that. We've had a lot of people wanting to be a part of this and be more engaged.

I wouldn't be me if I didn't ask for something. So what you can you folks help us do in terms of leveraging this investment on your side? We need more projects. If you hear of people with widgets or gadgets or services or companies they want to get off the ground, we need them. Even through the summer. If you have all four schools working together, we can leverage a lot more students and a lot more faculty that are here all

summer long, so don't let that stop you. If you have projects of your own or know of people that have projects, we would love to hear about them. Jake Marsh is actually the Ignite grant coordinator, so he does this on a day-to-day basis. And the only other thing that I'd say is we'd love to change the chatter and promote the vision. Which is, promote the vision of everyone moving forward for innovation and entrepreneurship. We actually have an MOU between universities. We will move the region forward to the best of our ability together. Just getting that MOU together is huge. It did take a while. We want to change the chatter that says that we can't, from a university perspective, work together and move forward. I will say, there's a lot of unglamorous work that goes together in terms of getting everybody faking it until they make it. There's a lot of conversations and a lot of bureaucracy and paperwork involved in getting all the cultures involved to work together. But, it works. It absolutely is working, and I will give you a spoiler alert that just in the last probably two months, the universities plus two private industry players in the Erie region who are, if I go off some old economic studies and make a few shoot-from-the-hip assumptions, put about \$1 billion of investment in this region each year, are getting together to talk about what we could do if we put all of our resources together and put them in the same space, and what could we accomplish if we did that in terms of downtown Erie and what that would look like. That would not have been possible at all in any way, shape, or form as seen a year and a half ago without the work that has been done for the past year and a half sparked by this funding. We really do thank you. It is working. We're doing some great things, but more importantly, I think at the end of the three years we will see the strong collaboration that I think you were looking for.

Peters: Your thanks are appreciated, but I think we actually owe Behrend thanks for getting everybody together, and I think when we read those applications a year and a half or two years ago, whatever it was, to see that you wrote them in, the other schools that had sort of debated on whether they should go on their own, that was, at least to my vote, a really, really impactful thing to do, and I have to believe that they appreciated you doing that now that they are participating and seeing growth. So, thanks are appreciated, but I think we owe them to you more than you owe them to us.

Lee: Amy, thank you for the update. It was great. One quick question. The ShotSpotter project, what type of timeline is in it?

Bridger: That's a horrific question to ask me. We thought we would be through beta test of the hardware by now, actually, but we're using commercial off-the-shelf pieces for that. You can buy systems that will do this for you. There is actually something called a ShotSpotter. But it is a large investment for communities, and what we were trying to do is prove out the idea that with drones you can actually 3D print, and with commercial off-the-shelf hardware you can do it for a much cheaper scenario for communities our size. They were having a hard time, actually, getting the triangulation coverage that they needed. I don't want to get too technical, but, essentially they thought they could get an eight-block area, and they ended up only getting a one-block area, and so we were having to work on how the triangulation would work.

Barney: How many drones do you have?

Bridger: Between the four schools we probably have built or purchased close to

12.

COMMITTEE REPORTS

- a. Treasurer's Report: Peters: I don't think there are a whole lot of people here who weren't here for the caucus. I have nothing different from what I presented at Finance Committee related to last month's financial reports. If anyone has questions, I'm glad to answer them, but I don't think we have to go through them again as we were all sitting here.

Lee: I have a question, Chuck. The information you sent out in reference to the budget and compensation, do we need to do an executive session to discuss that, or where do we go with that?

Wachter: It's open session material.

Lee: Okay.

Peters: Two items. One is the treasurer's report, which is the financials from last month, and then the second is the budget, and no one has deliberated on the budget at this point. I think that, depending on what you all want to do concerning the treasurer's report, I can move on to the budget.

Sample: Why don't we approve the treasurer's report as presented and then move on.

Mr. Barney makes a motion to approve the treasurer's report as presented. Mr. Paris seconds the motion. Motion carries 7-0.

Sample: Moving on to the budget.

Peters: Okay, so, if everybody still has their SharePoint open, and maybe, Perry, you could pull it up on here. There is really only one change to the budget from what we discussed last month, which is giving Perry a cost of living increase. And the only other thing that's really different from last year is increasing the Special Projects from \$150,000 to \$200,000. That equates to about a total difference in the budget, if you would just scroll to the bottom, Perry, of \$56,000. Other than that all the rest of the categories, there were slight adjustments based on looking where we were, you know, as you notice in the treasurer's report where we are over budget a little on printing, or over budget a little bit on data processing, which is the website. So we made minor adjustments as necessary, but for the most part, everything is the same other than those two items. Obviously \$50,000 of the difference is related to Special Projects. And then that other \$6,000 was related to cost-of-living increases.

Sample: Are there any questions about the budget?

Lee: I have one question. I shared the information with the county executive, and she had one question in reference to the work sheet that you had forwarded dealing with the benefits offset payment. Her question was in reference to the \$12,700. She wanted to know what that encompassed.

Peters: Sure. So, really this is probably a good topic for the newer folks on the board. Way back when, we're talking years ago, when we hired Perry, and frankly before that when we hired Tom Kidd, and Carolyn Gold was partially paid county benefits, which, as you know, county benefits are extremely generous. It's 40-some percent of someone's compensation as related to benefits, retirement, etc. This authority made the decision that it was not at that time going to offer benefits such as a pension, healthcare, those things. So, certainly, we reserve the right to change that any time we want to, but we never have offered healthcare, which family coverage for healthcare, which anybody who owns a small business knows, is pretty pricey these days. And the authority saved money by not doing that and saved administrative costs. And what we

did instead was offer an offset, and that's what that is. It's been there since Perry was hired.

Lee: And is that a percentage, or is it just a dollar amount.

Peters: It was, at the time, and I'd have to dig a little deeper. I do have this information. We went out to bid looking for costs, and at the time, the Highmark plan was \$15,000 for a family, or something like that, and the Health America was a little less, and we ended up, I don't have it right in front of me, there was some formula applied.

Sample: And part of the reason for that was that whenever we transition to somebody else, and somebody comes in a says, "Okay, I need healthcare," we've got that to sit there and say, "Okay, you're looking at the total compensation. You've got the funding, go get it."

Lee: Sure. I'm fine. She just had a question about that and wanted clarification.

Sample: And that was a question early on until we came out and said, "No, this is what it is," because we just want to be up front.

Peters: And I would say more specifically, Councilman Leone had many questions about this over the years, and every year we explained why we do it.

Lee: Thank you, Chuck.

Sample: Do we move to approve the budget?

Peters: So, obviously, this is our annual meeting where we reorganize, and it's time to settle the budget. What the Finance Committee requests is that there be a motion to approve the budget – oh, yeah, we have a resolution and we'll come to that. So we'll be asking for you to take action later on in the meeting.

Sample: Moving on from the treasurer's report.

Lee: One other question. I just want to be clear, and this is going to go to the check detail report. The travel and education expense. I'm taking it's for the whole fiscal year of 2015-16? Can you just share what type of, not travel, educational seminars or things that you attended, just so I'm aware and I could share with the county executive?

Wood: Yes, I started a doctoral program at the University of Pittsburgh specifically related to economic development and workforce training, and I've been doing that since the summer of 2015. I'm in the third term of that program, and it is related specifically to what we are doing with youth and education, with what we've done with economic development in partnering with the universities, and many of the products that I've produced have actually become products that I've used here at ECGRA – executive director reports, research products, policy briefings, things of that sort.

Lee: Is that an online program?

Wood: It's a combination program.

Sample: And that was at the encouragement of Dr. Garvey. He had come in at one point and encouraged us. He said, "If you want to grow this, you really need to educate your employees." And the board agreed with that view.

Yaple: It was the board's view, and we're 100% behind that.

Lee: Is that a PhD, or a doctorate?

Wood: A doctorate.

Lee: Okay. Good. Thank you.

- b. Regional Assets Committee Report: Wood: Just a quick update on regional assets. Of course, Special Events has gone through. All of those organizations have been funded. And then the next quarterly grant cycle is Municipal Collaboration. There will be a grant review committee convened in order to take a look at those grants since we don't have a

standing committee. We do that every 18 months. Then, in the third quarter we'll be looking at doing Community Assets Funding. So, that's what's on the horizon. In the meantime, we are working with the Summer Jobs Program, in collaboration with the county. As you know from the last meeting, ECGRA was part of the RFP committee. The RFP was awarded to GECAC to take over the program in its third year. And you're going to see it on today's agenda under Resolution Number 9 for us to start setting aside funds.

- c. Strategic Planning Committee: Paris: Perry and I have been discussing our next meeting, and we actually have not set that date yet. We'll get that date set up and inform everybody of when that is by sending out an invite.
- d. Update from County Council: Breneman: County Council has no update at this time.
- e. Update from the County Executive: Lee: I'll be very brief in reference to the Summer JAM Program. As Perry stated, the administrator of the program will be GECAC this year. We're very pleased with the funding streams, with the county putting in \$150,000, with ECGRA being asked to put in up to \$150,000, and then we're asking The Erie Community Foundation to consider up to \$150,000. So we will see how that plays out. We have been able to have a meeting two weeks ago with Terry Cavanaugh of Erie Insurance. He has agreed to sponsor his students, so that's going to be another \$15,000, or \$14,000, to be exact. In addition to that, he offered his communications department to do a video for the Summer JAM Program featuring the students in the program, and their endorsement of the program, which is huge. I've been told that by itself is worth \$10,000. So, we're excited about that. I had a meeting with Scott Welham yesterday at St. Vincent. He is going back to see if he can get some funds from Highmark to contribute to the program. I'm going to be meeting with Dr. Taylor next week. He and I have already had previous discussions where the University will be investing in the program as well. So, we're gearing up to get additional funds so that it won't be strictly reliant on the government. In addition to that, the Work Investment Board, they have allocated some funds to be able to be invested. We're working out the final dollar amount and what that may look like. So, I think this year we are going to be positioned really well financially to do probably 175-200 students. Last year we did 142 students. So, we're excited about that. We don't want to grow too fast, because we want to maintain quality. It will, and Perry and I have talked about this, because we're having funding coming in from a lot of different sources. Again, I think we're going to be able to do 175-200. If we have extra money or additional money, that may decrease as far as what ECGRA would be investing. It may also, I'll be honest with you, the county is going to commit \$150,000. I've already talked to council, and they are strong on that. But it may allow us to do some other things with the program as we move forward. So, we're excited about that. We're going to monitor the money very closely to make sure that we receive a quality product. Thank you.

Sample: One thing, in the inception, Perry looked at what Pittsburgh could handle, and what some other places could handle, and when you were starting to talk about \$450,000, my concern was that we're going to either bring in too many kids that we can't monitor, especially with GECAC being in their initial year, or the other thing is, which is always a pet peeve of mine, when we have, and the term scares me, "extra money," that a lot of it goes to admin that's not productive. And I'm sure you people are all very cautious of that, but that is one thing that I will want to see monitored very

strictly, because the money is for the kids. It's to get the money out there to get these kids jobs. When all of a sudden 25-30% ends up in admin, that frustrates me.

Lee: And, Mr. Chairman, very good point. To that effect, we, through the request for proposal process and the committee, we monitored that and we negotiated that down to where we felt it was a fair amount – a fair amount to the organization who was going to be running it, because we didn't want, again, the program to get ahead of itself and the money to start going to...

Sample: And I think that GECAC will do a wonderful job. You know we had our frustrations with Venango. But I certainly hope that GECAC is not afraid to contact Perry or some of the other people, because in the inception, Perry was instrumental in helping the county survive, because Venango, they weren't going to do things – they were going to do everything that was convenient in Erie, but they kind of forgot that kids in the county – they wanted them to come to Erie. And these are kids who have sub-income. How do you expect them to get to Erie? You've got to take the product to them. And then the other thing is the monitoring they had initially was not really doable in the outer parts of the county. Perry was able to get some of that handled. We've got a guy in Corry who works for the school system and volunteered his efforts to monitor the kids. I mean, he's the guy that puts the co-op kids out every day. He's already got the certification.

Lee: And the good part of it, and I won't be too long at this point, the good part of it is the project manager, Mr. Kevin Arrington, who worked with Venango, will be working. He has signed up with GECAC. So, you have it from a historical perspective. Because there's a lot with this transition that's going to go on. A whole lot. And it's going to be a big learning curve for GECAC, because they haven't done this in the last 15-20 years. We're confident they'll be able to do it and do a really good job, but still, that learning curve. So, to that effect, with having Mr. Arrington on board, and we have articulated that the goal is to get 50/50, 50 from the city and 50 from outside the city, so that it's representative of the whole county, because it is a county program. We're going to be working towards that, and they've been given their marching orders on that. To the effect of growing the program too fast, you get individuals who say we should have 700 kids, I've heard, and you get individuals that say, "You know what? This shouldn't be in the public sector." To that effect, we are doing something, which is great. That's number one. Number two, we cannot grow this program too quickly. That's why I'm realistically 175-200 max would be really good. But we're probably going to be landing closer to 175, I would say, because you've got to have employers as well, and that's what they've been attempting to do. This is my last point that I'll make. Last year we went from a total from the year of inception of 2014 we had 24 organizations participate in the program. The majority of them, 75% were not-for-profit. In 2015 we grew the program up to 42 employers. That whole 18% or 18 employers were for-profit, so that was great. We're still trying to get a better balance of for-profit to not-for-profit. We're about 57% not-for-profit, 43% for-profit. So, if we continue on that line, we're going to hopefully meet that goal of 50/50. Thank you, Mr. Chairman.

Sample: And with your for-profit, they've got a better chance of retaining those jobs.

Barney: You spoke on Erie Insurance and their media department. Is that just going to be for placements at Erie Insurance? Or will they be able to also video maybe some of the other sites?

Lee: And that's a really good question, Dale. It's just for Erie Insurance. But what we'll be able to do is take it out and market it as we meet with some of the other companies, so they can see that Erie Insurance is on board and what the students are doing in their location. Thank you.

REPORT OF THE EXECUTIVE DIRECTOR

Wood: You'll see the report under, it actually ended up under Solicitor's Report. Obviously there's a lot that's been on our plate in the last few months, including preparation of the annual report, getting the Summer Jobs funding ready, budget, Ignite Erie negotiations, for example. So, you're going to see a lot of those things in the packet that I provided for you. I think the great thing to look forward to this year is the continued relationship with The Erie Community Foundation, not only from a Human Services standpoint, which Tom Maggio now serves on that committee on our behalf, but also from the standpoint of the bigger projects – the transformational stuff through Shaping Tomorrow. So I've put out two Save-the-Dates now for June. I want to make sure that you have them on your radar. We are working on the ability to give you access to the grants that are going to be available through the Shaping Tomorrow process. We know that there are 29 applications that have been submitted for big projects.

Peters: For the \$4 million?

Wood: Well, so last year we committed a half million and ECF committed a half million. So there is \$4 million from the Hagen Philanthropy Fund that is potentially available, and then \$1 million if we participate with ECF like we did last year.

Barney: Question. You said, "Two dates." I've got the 14th of June, what's the second one?

Wood: I sent out two reminders for the same date. That's the first step in which our seven board members will get together with their direct board members. I'm very excited to see what that discussion will look like. They've invited us to delve deeper into their process. Last year we only saw final presentations. This year they've asked us to look at the initial presentations, as well as the finals. So, I'm excited about the direction that relationship is headed. We've negotiated that process over the last few months with ECF, and the initial findings are really some exciting stuff that is out there and available, including stuff that builds off of the work that we've already done. Does anybody have any questions for me?

Barney: Real brief. They want us to look at all of them. What type of a timeframe are we looking at? How much time do they give each group?

Wood: So the way the process works is it begins with a letter of intent, which is very brief, 2-3 pages tops. Then that letter of intent is cleaned up with the assistance of staff so that the concept is crystal clear before it goes into the form of an executive summary. We'll be seeing those executive summaries. Not all of those executive summaries will be invited to submit a full proposal. Last year we only saw folks that were invited to submit proposals, which would be a more extensive grant process.

Sample: And there were what – nine?

Wood: There were six. And so this year, 4, 5, or 6 we'll be seeing as well for full presentation. But those executive summaries, I think, are going to be key.

Sample: Any other questions?

SOLICITOR'S REPORT

Wachter: One of the things that I wanted to suggest is that we have a brief executive session which is to bring you up to speed on the conversation you allowed me to have with the Lead Assets during the presentation. So, essentially, if we could close the door and shut the recorder off for three minutes.

We have reconvened from executive session that was held for the purpose of receipt of legal advisement regarding the negotiation of contracts.

OLD BUSINESS

Sample: Any old business?

NEW BUSINESS

- a. Resolution No. 7, 2016 – Resolution to adopt the 2016-17 budget. Mr. Bagnoni makes a motion to adopt the resolution. Mr. Paris seconds the motion. Motion carries 7-0.
- b. Resolution No. 8, 2016 – Resolution to accept the 2015-16 annual report. Wood: We are not going to do a printed copy this year. We're going to strictly keep an online version. If somebody would like a printed copy, they can request one, or download the PDF off our site and print it themselves. But, we're not going to do that. Most people have moved away from a printed annual report. Mr. Paris makes a motion to accept the resolution. Mr. Bagnoni seconds the motion. Motion carries 7-0.
- c. Resolution No. 9, 2016 – Resolution to fund the 2016 Summer Jobs and More program. Mr. Bagnoni makes a motion to accept the resolution. Mr. Barney seconds the motion. Motion carries 7-0.
- d. Bagnoni: Since we've past the slate for the board members, the question I have is eventually some of these board members are going to be moving out. I don't know who has how many years left on the board, or whatever the case may be, but I think that maybe we should have some mentorship for these positions so that we get people that are interested moving into those positions and understand what's going on and how to do it, because everybody is not going to be here in a couple of years. Sample: And that was a problem this year because we had so many new members. You are 100% right, and that's what we've got to set up for. And there is some question as to term limits. We believe we know what's going on, but that doesn't necessarily mean anybody else does. It's extremely important. A big part of the reason that we've opened up all of the meetings to everybody is so that some of this can be going forward. Peters: I think it's a great idea, Dave. Anytime that anybody wants to learn about the Finance Committee or what I'm doing, I agree. Succession planning is important. Bagnoni: Well, not only that. You want to find someone who's interested in doing it too. Just saying, "You take finance," well, maybe I'm not good with numbers. You need to have someone who's willing to do it and put the time into it to do it right.

ADJOURNMENT

Mr. Bagnoni moves to adjourn.