



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
June 9, 2016

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on June 9, 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. Barney, Mr. Domino (arrives late), Mr. Paris, Mr. Peters (leaves early), Mr. Sample, Mr. Yaple. Mr. Wood, Mr. Breneman (arrives late), Mr. Lee, and Mr. Wachter are also present.

APPROVAL OF THE AGENDA

Mr. Peters makes a motion to approve the agenda. Mr. Barney seconds the motion. Motion carries 5-0.

APPROVAL OF MINUTES – May 2016

Mr. Peters makes a motion to approve the minutes. Mr. Paris seconds the motion. Motion carries 5-0.

COMMENTS BY THE CHAIRMAN

Sample: I see that the Erie School District may run into some problems with their payroll. There seem to be some solutions on their horizon. And, if that is the case, and if the solutions are in place, and if they do have an issue, I would propose that we give them a bridge loan or some type of temporary financing at our cost in order to ease that, so that they can continue business as usual through the summer. I don't know if that would take a motion and a vote so that we wouldn't have to meet again if it were to happen?

Wachter: Clearly I do have a recognizable conflict in this matter. I just want to put that on the table. Legally, I believe that if you wanted to give that authority to your executive director to negotiate that, you would have to do two things: One would be a motion to approve giving the authority to Mr. Wood to issue a bridge loan to cover expenses in the event that there were

sufficient payments identified to refund your monies; the second thing is you would have to determine whether you would be willing to waive the conflict to allow me to operate as the attorney for the Gaming Authority and the School District on that. And, if you don't, I'm absolutely fine with that, and we'll get conflict counsel on either side.

Sample: Is there any discussion among the board? My proposal is that we would give them bridge financing so that the Erie School District could continue to operate business as usual with the understanding that they have the money forthcoming, and it's just a timing issue.

Barney: And we don't have any time restraints?

Sample: It's going to be over the summer. They may not be able to make July payroll.

Wachter: What I can tell you is that the county executive has convened various meetings of legislators, and we have another one this afternoon, in order to further discuss this. There have been some very positive meetings with the senate legislative leadership that are off the books. In the event that a solution was to arise, the concern from the Erie School District's position is that the money would come in August, and they will be unable to meet payroll. So there are some timing concerns, and I think that if you wanted to do that, that may help take some of the pressure off of some of the timing concerns. However, I would suggest that you put some parameters on there, such that this isn't to replace a bank loan; this isn't to do anything other than to be just a temporary stopgap due to timing issues.

Peters: The last time that I was privately lobbied about this issue was last year, and someone came to me and said, "If I brought this to your board do you think that they would be willing to cover the closing costs related to a PNC loan?" I said, "Absolutely not." I don't understand where this comes from, and I don't know how much money we're talking about.

Sample: It is solely me. Nobody approached me. I just saw it this morning on the news that they may not be able to make July payroll. My thought was, whatever cost you incur, whether it's closing or something else, you're just adding to the bank fees. I thought if we could just loan it to them, and we would receive back the same interest that we do receive...

Peters: I think there would have to be significantly more analysis of this. First of all, how much money are we talking about?

Sample: It could be up to \$4 million. That would be two payrolls.

Peters: I think there is significantly more discussion and research and understanding...for me, for my vote, I would have to really much better understand the situation than I do right this minute. And regarding legal counsel, we've never had an issue with Knox when we've negotiated with other authorities or boards that we've given money to. This is a pretty significant and public issue of which you have been front and center, and, personally, I would want to put some thought into whether a conflict waiver is appropriate in this situation or whether we should seek outside counsel.

Sample: So I guess the motion could go either of two ways. One, we could explore what our exposure would be if we were to go forward, and the other one would be that we would go forward. I brought this to them. Nobody said anything to me. I just saw it this morning on the news, and rather than have all these people spend all their time figuring out how to do it, if we could do it and be secure, I would be comfortable in going forward. The security is the issue. If we knew the money was coming.

Wachter: Mr. Sample, would it be appropriate then to, recognizing Mr. Peters' comments, which are very well taken, and, as I said, please get conflict counsel if you like – I'm probably more comfortable with that, actually. The reality of the situation is that it's so fluid that I'm not even sure the Erie School District would know what to ask you for at this point, and they probably wouldn't know until July 1st, 2nd, 3rd, 4th – until that time that maybe to resolve some of

the concerns Mr. Peters would have, that if Mr. Wood would be authorized to at least make an offer or engage in a conversation with the administration, and if it was to realize that, you would call a special meeting, if necessary, to do so.

Sample: I would be comfortable with that.

Peters: Do we need to authorize the executive director to talk to people? He talks to people all the time.

Wachter: I would think that the executive director would like to, if that conversation was to occur, to make sure that you at least have a general understanding that this is _____.

Sample: I would like to request it just as a CYA thing.

Paris: My biggest concern is would this open the door for everybody else...

Peters: Of course it would. It also flies in the face of what we're always trying to do, which is due process.

Paris: Is it a good idea?

Yaple: The other thing is, risk and reward. What are we going to lose if we don't do something? What good is that money sitting in a bank if we could effect change somehow? Granted we have to investigate, we have to look into it, and we'll open the doors. We have the right to say "yes" or "no". What would be the end results?

Peters: Covering operating shortfalls of organizations that have other means of getting fees is not the business that I personally would ever endorse. This is in no way me being (as you heard at the last strategic planning meeting) in any way negative about the Erie School District or not wanting to help the Erie School District. However, there are probably three organizations in the audience that will probably in the next year be concerned about an operating shortfall. They'll be here saying, "You remember when you decided out of the blue to throw \$4 million towards covering payroll at the Erie School District? What about us?"

Yaple: But if they have money coming, just like these guys do, this is a shortfall. That's what I'm saying. This is just a band aid.

Peters: So we're going to become a bank?

Yaple: Well, you know what? So be it.

Sample: If the money is available in the timeframes, I don't want to do it. What I'm saying is that the constraints aren't going to come forward for the School District. I think it's our position that we should at least make the offer.

Paris: This is just going to put us in such a public eye, and put a target on us.

Yaple: And it's going to put us in the public eye if they find out we didn't do it.

Peters: I couldn't care less, as I've told all of you repeatedly, about being in the public eye – either positive or negative. We're here to do a damn job. There are a number of steps. If we're going to do anything, I would suggest that we talk to counsel to understand if we're in the business of making direct loans to entities, and if so, what are we going to have to do to be appropriately protected? And, in addition, how do we make sure that we're in compliance with other directives that have been given to us, primarily, Judge Dunlavey, and what kind of precedent does it set? This issue is way bigger to me than just the School District. I understand that's an important issue we're facing, but when we knee-jerk, no one has even asked us for help yet. We're just going to start going to people we think are more important than others and offer money? I don't see it personally. I would go back to my earlier comment, for the record, that I think significantly more research needs done, and I would propose, if this is important enough to discuss, because we're 20 minutes into our meeting, we'd better schedule a special meeting and discuss it. There's a lot on the agenda today. I don't feel the need to authorize Mr. Wood to investigate new programs. Mr. Wood investigates new programs with great frequency.

Sample: You don't need authorization to do it, but you may want to do it.

PUBLIC COMMENT

No comments.

PRESENTATIONS

- a. Greg Ruban, Felix & Gloekler: I am going to be going over the March 31, 2016 financial statements draft. These are in draft form, so if you do have any questions or changes, those can still be made. I'm hoping to get the finals approved for your next meeting. I'm going to go through here and hit the highlights. If you have any questions while I'm going through it, feel free to interrupt me, and we can go through any questions or issues at that time.

I'm going to start you out on page 3, which is the independent auditor's report. It states that we've audited the financial statements of the Erie County Gaming Revenue Authority as of March 31, 2016. The next section, that management is responsible for the financial statements and assuring that the preparation is in accordance with generally accepted accounting principles. And in the last section, noting that our responsibility is to express an opinion on the financial statements based on our audit.

On the next page and the first section are listed our opinions which state that the financial statements present fairly, in all material respects, the financial position of the authority as of March 31, 2016. So, a clean opinion on the financial statements.

The last section covers the management discussion and analysis, which has been omitted from the financial statements, and our opinion has not been affected by that omission.

Because you are a government, you show two sets of financial statements – virtually the same numbers. I'm going to have you start out on page 7. These are more in a format that you are used to seeing. Page 7 is a balance sheet. You have total assets of \$15.4 million, most of that, \$13 million, being in cash and cash equivalents. You have the notes receivable of \$2,350,000, and those are with The Fund, CIBA, and you had a new one this year with Bridgeway Capital. No liabilities on the books. So, actually, your assets equal your fund balance of the \$15.4 million, and of that you have the non-spendable amount. Those are just your prepaid expenses. If you look up in the assets, there's that \$7,900. The committed amount - \$5.1 million - are any grants that have been approved by the board before March 31, 2016. So those are going to be committed for those funds in the future, expecting to be used for those projects.

Wood: Those include mission-related investments.

Ruban: So that leaves your unassigned fund balance of \$10.2 million as of March 31. So that is available for operations or issuance of other grants.

Turning to page 8, the revenues and expenses, at \$5,576,000 in revenues, most of that being Gaming Revenue - \$5.5 million. Your expenditures in total, \$4,711,000, most of those being the grants awarded out of \$4.3 million. So overall profit for the year of \$865,000 for 2015-16.

For footnotes we had a couple changes on page 11...

Peters: Can I ask you a question about page 9 before you skip to 11? Section A, the final paragraph. Could you define in this report what a "discretely presented

component unit” is as there has been significant discussion over the years related to whether we are a component unit of the county or not? I understand from our solicitor that being created by the county creates this “discretely presented component unit” which is different from being a full component of the county.

Ruban: Correct. There are two types of component units: there is “blended,” and “discretely presented”. “Blended” means you’re shown as another fund of the county. So, if you would pull up their financial statements, you’d have “General Fund,” “Children and Youth,” “Gaming Authority.” You’d be combined with all of their funds. You aren’t like that. If you go to the one other set of statements they have on the county’s reports, here’s the “County,” and here’s the “Authority” shown separately. There is no total of what the county is combined with the authority. So you are the more separate one on there. And I know there have been disagreements about whether you’re considered a “component unit” or not, and, actually, we had contacted the AICPA on how that is supposed to be presented. I guess, technically, it doesn’t matter, for lack of a better term, is how they present it. If you’re considered a “component unit” in their eyes, you should disclose that you’re a “component unit,” whether you disagree or not. So that is why that was added this year.

Wachter: But the legal effect of that is merely because the Gaming Authority was a creation of the County. Because it’s a creation of the County, those numbers are showing up on a set of books at the County, but it doesn’t provide for any legal authority over the Gaming Authority.

Ruban: Correct. I believe their footnotes describe that they do appoint the board and that they provide most of the funding that comes through the County, and I believe that is their rationale for it. We looked at other factors, such as, do they have significant influence on the board? Can they take someone off of the board? And they don’t have that authority, where if you’re not voting in their eyes the way they want you to, they can kick you off and put somebody new on. They don’t have that authority, so that was our rationale as to why you shouldn’t be a “component unit” of Erie County, but I guess they see it differently.

Wachter: Would it be appropriate for you to put definition of a “discretely presented component unit” as opposed to a “blended” unit and the differences for that just so we don’t re-engage in old debates? Do we have an understanding as to the meaning of the terms?

Ruban: Sure. We can do that. One of the changes was in the footnote on Note 2, page 11. This note is discussing the motion related to the 2010 settlement agreement. The first paragraph discusses the 25% that gets issued out to the various municipalities. The second paragraph discusses the requirement of that settlement that a portion will go to the Lead Assets from 2010 to 2014. The last couple sentences discuss that those revenues received for 2014 were issued in 2015-16 and that the Authority received a release in acknowledgment from those Lead Assets that the Authority has met their requirement for the agreement. And that’s also discussed on page 12, Note 5, the funds going over to The Erie Community Foundation.

Peters: Before that, I have a question about Note 3. I understand that we’ve always had fully collateralized accounts. But what that means is that the bank’s collateral is other securities, not a cash equivalent. If the market were to tank and the bank fails, we are not protected other than the \$250,000.

Ruban: No, they usually have to have government securities to cover those funds. All governmental funds are supposed to have, I think it is 105% of their securities covered. So, if they do fail, they should have something stable that will get you your funds back.

Wachter: There is a collateralization act that banks have to follow when dealing with government funds, and they list the same state of securities that our limited investments will allow, essentially. Back on Note 2, just a matter of tense, in the first paragraph after we have the listing of the entities, it says we “will first distribute.” I think it would say, “the Authority is to first distribute twenty-five percent.” And then in the second paragraph, “In addition, the Authority will distribute thirty percent of the gaming revenues for the years up through 2014.” It should say, “the Authority distributed at least,” because we have exceeded our obligation, and it has expired now.

Ruban: No problem. In relation to Note 5 discussing the irrevocable gifts that have gone over to The Erie Community Foundation related to the Lead Assets, noting that that, again, had been part of the 2010 settlement, and the final payment has been made and discussing possible funding agreements in the future with the Lead Assets.

Peters: The last sentence that you just referred to, “Currently the Authority is determining a new funding agreement,” I’m not sure that is accurate. Aren’t we determining a process by which existing funds would be distributed? Semantics, but important.

Wachter: I agree with that. We’re discussing a memorandum of understanding with the Lead Asset Organizations to come to agreement on the distribution of funds in the endowment. The methodology of the distribution of funds.

Ruban: Okay. I’ll work with Perry on the wording of that. Any other questions? I know you’re just getting this now, so feel free to contact us. We did also give you a letter that goes to the board, and a negative assurance letter. This is where we discuss if we had any significant audit findings, difficulties we encountered in the audit.

Peters: Note 6 – Note Receivable. At what point do we need to disclose in the financials that there is at least some concern over the credit-worthiness of an entity that you loan money to.

Ruban: That is something we evaluate every year, and that can be disclosed at any point. If you feel that you know something now.

Peters: It’s very public that GEIDC, parent of the Enterprise Development Fund, is in Chapter 7 liquidation, and although the Enterprise Development Fund is an independent entity, I have at least some concern that they are a creditor of the Chapter 7 of the parent. In addition, they have other at-risk credit, I believe, that could adversely affect us, and we are the least secure, I think that’s safe to say.

Wachter: We’re not secured.

Peters: We’re unsecured and subordinated to everybody and their brothers, including the other unsecured...

Wood: I think it’s a good question. At what point in time do we need to receive documentation in order to take that step? All we’ve received so far is a letter from the bankruptcy court informing us about GEIDC, which we didn’t need a letter to know about, but that is a formal documentation. At what point to you actually take action in your audit to recognize that?

Ruban: That was one of the considerations we did have. We actually do the audit for The Fund and GEIDC, so I guess having more knowledge of that, we were able to

consider would there be an impact to the Gaming Authority that would be significant? We evaluated The Fund's financial statements and saw about their ability to repay. And based on their financial position at this time, we didn't feel it would be a concern.

Peters: Out of an abundance of caution, it wouldn't hurt to note in that first paragraph some of this so that at least it's clear to anyone that we've reviewed our audit, and that this board has taken a review of this matter very seriously. I would expect that we take action on this next month?

Wood: Yes. This is only a draft. Let me go over the timeline really quick with you. So, typically in June we see the draft presentation. Most of the time it is the first that the board has seen anything. You'll have a full 30 days to review it. In that time, you can ask me any questions you want, you can ask the treasurer any questions you want, or you can ask Greg directly any questions that you want about specifics, shortcomings, additional things like Mr. Peters just mentioned. Then at the July board meeting, we have a finance meeting that precedes the board meeting from 8:00 a.m. to 8:30 a.m. We will then review the final draft, making sure that all of the amendments or comments that have been mentioned during that 30 days are included or are discussed for inclusion. Then at 8:30 the auditors' official report will be submitted into record, and, hopefully, voted on by the board for acceptance. At that time, the audit then goes to Erie County Council, Erie County Executive, and the Erie County controller's office for permanent record. Now, before I move on, there is one other thing I wanted you to talk about. In looking at last year's audit in preparation for this year's audit, we discovered a discrepancy in the numbers that has been entered into record. Do you want to discuss that?

Ruban: There was a typo in one of the numbers. If you turn to page 6 of this year's financial statements, under the "Total Expense" column, the actual column in last year's financial statements did not put, the far right column did put. So everything's still balanced. There was a typo in that expenses column that we were going to send Perry. We'll send an updated financial statement for that.

Wood: I believe we should accept the new audit into record, vote on it, and then redistribute it to those entities I just mentioned. This is last year's audit. Questions about that?

Ruban: I want to thank Perry and Diane for their assistance. They really make the audit a smooth process. A March 31st year-end and we're here with a draft already in June. We don't say that very often.

- b. Shawn Waskiewicz and Aaron Lundberg, ServErie. Wachter: Mr. Chairman, before Mr. Waskiewicz and Mr. Lundberg have a discussion here, I do need to point out that I am the solicitor for the Erie School District, and the proposal that they're suggesting is one that would directly benefit the Erie School District regarding a renovation at Lincoln Elementary. I have had discussions with these gentlemen regarding some of the School District's legal aspects of the proposal, essentially with access to the building, and releases, and things of that nature. However, as you know, I don't have any vote as to whether you are going to approve this. I just want you to move forward with that, and if you have any concerns, I'd happily withdraw from any representation of this matter.

Waskiewicz: Good morning. I'm Shawn Waskiewicz, Executive Director of the Flagship Niagara League and Tall Ships Erie. This is Derek Sanford. He's the lead pastor of Grace Church. And Aaron Lundberg is the Executive Director. My role today is that of project manager of ServErie. I've been helping out the team for the last three

years, and I fully support what they're doing in Erie and for all kinds of community leaders, buildings, and things that we're renovating and helping out for the last 7-8 years of this project. Derek is going to give you an introduction about ServErie, what we are, what we're proposing as a pilot program for Lincoln Elementary School, and then if you have any questions, we'll be happy to answer them.

Sanford: Thank you very much for the honor of being here today. I want to give you a quick overview of what our organization is about, and then talk about the current project that we're looking at. The name of our organization is ServErie. ServErie is a movement of Erie churches and organizations that are committed to serving those in need in our city through local service agencies and neighborhoods. We are typically partnering with existing organizations and neighborhoods. With hundreds of volunteers, ServErie has made a significant impact on our community by being the hands and feet of Christ through building relationships and spreading hope. Let me just talk about a brief history of ServErie, and there are some pictures on the screen here that may give you a little glimpse.

We started in 2008. We had 55 volunteers on a couple of school buses that went into the community and served. That has turned into four Saturdays per year. We board school buses and go to a variety of difference sites throughout the city to serve. For four Saturdays per year since 2008 we've been going into the community. The organization has expanded from two churches, which is what we started with, to 44 partner organizations, student groups, and businesses. We've had groups from LECOM, from local high schools, employee groups from Starbucks and a variety of other companies join this movement as well. It's really expanded to 44 now partner organizations. It's also expanded into an East County and West County operation. So, not only are we serving within the city of Erie, but we're also serving in the East and West Counties now. The most recent ServErie happened in February – this is a Saturday morning service project now – February had over 450 volunteers and 20 locations. You can see from that original number of 55 people that we've grown to over 450 volunteers.

There are a few key principles that we operate by. One is to solve the proximity problem. When I say that, our hunch was that there are a lot of great people in our organization – a lot of great people in our organization that have big hearts and want to help the needs of the city. The problem is, most of those people don't come face to face with the needs of the city on any given day. So we reasoned that we could close that proximity gap and help people with big hearts come face to face with the needs of the city. The reason we use school buses is so that people don't have to worry about where they should park or where they are going. We have a ready-made service opportunity where they just need to show up.

The second principle is to make it easy and fun. We want to create those opportunities for people to serve alongside neighborhoods and people who are living in those neighborhoods to help improve and beautify their neighborhood, and we want that to be a great experience for everyone involved. We do the behind-the-scenes work to make sure that when they show up, there is going to be great work to do and that they are going to have a great experience.

The third thing is that it is all about relationships and uniting the community. Our belief is that poverty and some of the other issues that our city is facing, are not solved just by money, but that they will actually be solved by relationships. That's why we believe strongly in partnership – with putting the right people engaging in these

community projects. We've often described our role as making the handshake and then stepping out of the way, because we believe that relationships are going to go a long way in addressing some of the needs in our city.

That's a little snapshot of what ServErie is. Our current project, which is a pilot project that we are working on in conjunction with the Erie School District and Lincoln School is going to be happening this summer, July 15-17. That is a Friday, Saturday, and Sunday. Lincoln School, if you don't know, is right here at 31st Street – 831 East 31st – which is right in the proximity of Mercyhurst University between 38th and 26th Street. Here is what we're going to be doing over those three days at Lincoln School. We're going to be renovating this 99-year-old elementary school. It's a school from pre-K to grade 5 with about 500 students. Erie Public Schools and Dr. Badams picked this particular school as part of their optimization plan for the future. We really wanted to work in conjunction with some of the plans that the Erie School District already has for their schools. And they prioritized this school over all the others as the one that we should start with in terms of our work.

The public schools do not have a budget to update and fix all the repairs that Lincoln needs. In fact, when we were there and looking at some of the needs of the school, for example, the parking lot is in pretty bad shape. We were talking with the head of maintenance who said, "If we were to fix this parking lot properly, we would use the entire maintenance budget that the district has for all of its schools." Teachers buy most of the supplies for their own classrooms – things like Kleenex, wipes, markers – the teachers currently are purchasing for their own classes.

Here's the kind of work we'll be doing. You see some pictures here that were taken at Lincoln. We're going to be doing a lot of painting, scraping, and general cleaning of the school. The auditorium, stage, cafeteria, gym – we're going to be focusing a lot of our attention there repairing some of the seats – which are in desperate shape. When some of our teams were going through to look at the work that we were going to do, one of the common comments was, "This looks like an abandoned school. I can't believe kids are actually attending here." There's a lot of work to be done, and we believe we can make a big dent.

We're going to be doing some power washing and painting outside – sorry that some of these pictures have snow in them. The concrete sills and the whole front entrance need to be painted and cleaned up. The playgrounds are in need of landscaping and general TLC.

Why does this matter? A lot of this is based on research. I can send you some of the articles, if you're interested. There is a lot of research to show that physical elements in the classroom, improve comfort and wellbeing, attitude, and academic achievement among students. The environment they are in is very important. Building quality has been linked to higher test scores, and capital investment has been linked to academic achievement, teacher motivation, school leadership, and student time spent learning.

There are four little letters there on the bottom of this slide – TGIM. The principal of this school is an unbelievable woman, a committed servant to these children. When we were there she had one of the youngsters in her office and was giving him a little extra attention. Come to find out that this young man's family had broken apart, and she said that the teachers and administrators in the school are regularly giving extra attention to some of the kids whose home life is not great. A lot of us live by the TGIF mentality – Thank God It's Friday – and we were recognizing that a lot of these kids live

by the TGIM – Thank God It’s Monday – because the weekends and the struggle at home are so difficult that the school is actually providing that structure and that breath of fresh air that they look forward to. So, that’s why it matters.

It’s a volunteer-led initiative. We are expecting well over 1,000 volunteers from the community. Each day - Friday, Saturday, Sunday – there will be two shifts of work – 9:00 am to 1:00 pm, and then 2:00 pm – 6:00 pm. People can choose to serve all day, if they’d like. On that Saturday, school families are going to have the opportunity to help, so we’re inviting parents and kids to come help and serve at the school from 10:00 am to 3:00 pm. Also on that Saturday there will be a mobile health clinic and Family Fun Day with bounce houses, and all that kind of stuff. We really want to bring that neighborhood together.

Let me just talk about, “Why ServErie?” for a moment. We know how to mobilize large numbers of volunteers. We’ve been doing this for a long time, and we’re skilled at doing it. We are able to draw from a variety of resources around the community and get people mobilized toward a project. In fact, some of you remember when Extreme Home Makeover came in some years ago. They, and Maleno Development, who ran the project, contacted us to help run the volunteer side of it, because they knew that we were able to do that.

Here’s the other thing that I’m excited about is that many people, including influential community leaders, are going to be exposed to the needs of the school through this. That proximity problem that I shared earlier applies very much here. The Erie School District is in the news a lot. The needs are very well known across our community. I think there are a lot of good people reading the paper, watching the news, or reading their phone saying, “I believe in this. I just don’t know what to do. How can I help? What is a practical thing I can do?” And what we are doing here is giving people a practical step they can take to get hands-on and involve themselves.

We’re going to build a bridge between the community, neighborhood watch, and Lincoln School, which is a bridge that needs to be built. And the other thing that ServErie brings is that we’re not one-and-done. As I said earlier, we’re all about relationships. This isn’t a one-time deal where we’re going to come in, and then leave, and you’ll never see us again. This school and this neighborhood will be part of our ongoing development for the future.

An expense summary here – we don’t need to walk through this – but this is our dream list, a total of \$86,991. We’re looking at other funding sources, obviously – Kiwanis, local businesses, churches, and private donors. The last thing I would like to say is, as I said earlier, this is a relational thing about hands and feet and serving. Volunteer opportunities are available, and I would even encourage you, if you’re available, to volunteer. You can go to serverie.com to sign up.

That’s the presentation, and that’s what we’re doing. I’m certainly open to any questions that you might have.

Waskiewicz: The other comment I would make is that over the last six months or so we’ve had numerous meetings with the School District, and Dr. Badams is on board with this project. We don’t have any issues with the unions. They’ve been in touch with the unions and have informed them of the work that we will be doing. I just wanted to make sure that the board knew that.

Sample: Thank you. We appreciate your efforts.

c. Gary Horton & Gar Giles, UECDL Inner-City Update. Horton: Good morning. First of all, I want to thank you for your consideration and support of Invest Erie, our inner-city economic development initiative, particularly since last January when I slipped and tore my quadriceps muscle and just recently returned to work and started driving again. I think that's important because with your project I've been able to take the support of Perry and the indispensable assistance of a guy I call my offensive coordinator since I've been the community quarterback of this initiative. Now, although I'm a Cleveland Browns fan and we haven't had particularly good success with quarterbacks, I think this year is going to be different. We'll win the division. And with that also, I want to establish the fact that the quarterbacking role that we're playing in this initiative, we're poised for a breakthrough. Gar Giles is a gentleman who came into our world through a capacity grant that we received from Pat Black through The Erie Community Foundation. Because of that experience, I thought that he was well suited with his legal background, his experience in finance and economic development, and would be just basically what we needed to bring you the return on the investment that you've made in our project. And with that, I'll have Gar take over the presentation.

Giles: Gary, thank you. And thank you all for having us today. I'll be really quick. I know your time is short. We were here last year, because this organization stood up to help UECDL with a capacity-building grant. The idea at the time was that UECDL would merge, create a partnership with CCDC, and have a better, more fortified lending entity that could get certified by the treasury and put some government-backed funding program into the community. There was some issue getting CCDC on board, and the question at the time was, "What to do?" The research we had done until that point enabled us to understand we really didn't have to create a new organization to get the traction in Erie that we wanted. We approached Perry to talk about redirecting use of funds, and this organization approved the redirection, which allowed us to put on a symposium last February. That symposium, which was called "Racial Equity in Social Impact Investing" was the culmination of our effort to engage the Erie nonprofit lending community, along with the national leaders in lending and nonprofit and equity investing, at the convention in Detroit of Opportunity Finance Network. We suggested to them that we were going to bring a community of Northwest Pennsylvania nonprofit lenders to get on their radar so we could garner their support here in Erie for projects. That occurred, and as a result of attending that conference with Gary, and meeting the executive director of OFN, and so forth, we were able to have a symposium here in February. I was pleased to be with Chuck Peters and Perry Wood that day at the Jefferson Educational Society. The importance of it was that we garnered new partnerships with Community Development Venture Capital Alliance, which is the largest nonprofit venture capital entity, and is managed by Chris Reim, an Erieite, who is in New York.

We also strengthened our partnerships with Bridgeway Capital, HUD, Opportunity Finance Network, Small Business Association, and our project partner for the symposium was a company called Sulcrete. We're here today to give you an update on Sulcrete, and an update on what we are calling the "Made in Erie" campaign.

As a result of that symposium, a couple things happened. Folks said, "Well, you're talking about doing things at Opportunity Park, the Joyce A. Savacchio business park. We'd like to consider that there should be an opportunity in the park for us to coalesce around." So, what's happened is that Chris Reim first recognized that the Sulcrete project, and there will be some attachments provided to all of you, had the potential to

meet the metrics to receive an allocation from the Treasury Fund regarding the New Market Tax Credit program. So Chris Reim sent this email around about how he receives a \$15,000,000 allocation every year, and his organization is looking to Erie.

At the time of the symposium, Sulcrete still needed to accomplish milestones of its own so that equity investors would be attracted to it. Today's update is as follows. Regarding Sulcrete, which very quickly is an invention from the Brookhaven National Laboratory, where they are able to make a concrete out of a Sulphur polymer that doesn't erode, and has climate resiliency – which is the term that they use. It doesn't require water in its production, and it doesn't emit carbon. What's happened since the symposium where we have put together a burgeoning ecosystem here including Penn State Behrend, which wrote a letter of support that they'd like Sulcrete to be its corporate partner, and engaging some of the local industrial operators – Austin Servall, Precast, and many others, Duchini. Since the symposium, Sulcrete, a working ecosystem in Washington, DC, which we hope to soon replicate here.

Its partners today include the DC Department of General Services, Georgetown University, MIT Environmental Hub, and the U.S. Ready Mixed Association. Those entities, under a grant provided by Georgetown, are pouring Sulcrete at Georgetown over the summer. The culmination in January 2017 is a global symposium at Georgetown around the pollutive nature of Portland Cement, and viable alternatives to Portland for niche applications. And that is one of the reasons they are studying Sulcrete. Professor Delgado at Georgetown is one of the world's leading scientists when it comes to concrete and rocks, and her recent publication, in conjunction with the MIT Environmental Hub, is what caused Sulcrete to engage with her and become a partner.

The U.S. Ready Mixed Association takes its lead from the MIT Environmental Hub as to the new products it will get behind as it argues to the world with all of this climate change you need to build with concrete. Because we're not all that pollutive anymore, we're engaging the MIT Environmental Hub for alternatives.

I say all that to say that UECDC, its role with respect to all of this lending activity, is not to become a lender itself, but to become the fiduciary of community benefit plans, which these companies that locate in Erie, Erie itself being in the low-income census tract, is eligible for government-backed funding so long as those projects that are funded that way meet the community benefits standards, which is typically 51% of the employment. But with respect to Sulcrete, it's a commercialization plan. So Sulcrete is not going to build and operate all over the world. It's going to commercialize with local partners and regional partners. With respect to that, the tentative agreement that was drafted when they came to the symposium was to potentially build a plant at Savacchio Park to hire at least 51% from the community, and to commit 10% of its licensing revenue to UECDC so that additional projects that have a robust community benefit plan can be developed at Savacchio Opportunity Park.

Our next steps are to secure a local industrial partner and prepare a development plan for our funding partners.

The last bit there is that we have recently been dealing with DevelopErie in their filings in court and the fact that a Savacchio business partner is now subject to a bankruptcy trustee. The good news is that UECDC had an interest in the property and the Housing Authority had an interest. So the Housing Authority and UECDC have partnered with respect to putting together a plan that will be acceptable to the trustee

and particularly to Citizen's Bank, which is the largest creditor. We've engaged the community outreach executives at Citizen's Bank, both here in Erie, in Pittsburgh, and the leader for the state. We think we will have some support there. Folks are looking forward to the development things.

Peters: So what's left at the Savacchio Park? What's in the estate at this point? Is it vacant lots?

Giles: Yes, primarily.

Horton: There is one business there.

Peters: But all of the vacant lots are part of the bankruptcy estate and subject to sale under 721?

Giles: Correct.

Peters: What's the timeframe on that, because I was at the hearing last week, and Judge Aggesti certainly made it clear that he expected expediency from the trustee in terms of disposing of assets, since it's a liquidation? And, will you have your funding in place to acquire those parcels? The judge said on the record, "Look, this is a maximum three months. If you wanted 11, you should have filed an 11. It's a seven, and we're going to follow Section 721, and we're going to move this along." So I'm just curious if you guys...

Giles: We're poised to be competitive within that time.

Made in Erie Campaign. This is a mobile app that is available on iPhone, Android, and it has a back end for the desktop. You're looking at one of the pages here where projects are prioritized. But, essentially, what this effort is reflects our new partnership with CEBCA. That's the gentleman, Chris Reim, who's from Erie, and who's managing the National Association of Nonprofit Venture Capital Firms. He suggested to UECD, "Look, I travel the country all the time as a venture capitalist, a faculty member of the National Science Foundation, and of Columbia University. These start-up tech companies that have their minimal viable product already financed but need the first commercial production of their product, are always looking to me for direction. And they usually make knee-jerk decisions. They don't get a sufficient partner, or long-term partner. I think Erie could really position itself and promote itself as a contract manufacturing hub where these new products that require some component assembly – plastic, metal, and electronic – could really get the bang for their buck in Erie. But I need some help. I need a nonprofit partner that can help me organize Erie in that way."

So we took our mobile application here, and I've given some information to Diane to provide to you so that you can download the mobile app and see for yourself after the board meeting. But, essentially, what it does is allows UECD and Chris Reim when they are out in the field to promote to these companies, "Hey, download the Erie Manufacturing Exchange, open the form, and give us a description of your product, hit submit, and we'll get back to you with a quote." And then on the back end here, UECD is engaged, Bill Fogelbach, and others through Chris Reim, and the Erie Manufacturing Association, to then be able to give the local manufacturers an opportunity to respond to those bids. If there is a contract, then UECD receives a small referral fee for the contract.

So what we've done with our platform here – I don't have time to do a demo – is we've uploaded the Erie Manufacturers, and we've put a lot of Chris' businesses and business directory, so we have a working exchange now. I won't get into all the bells and whistles. I gave Perry a demo before the board meeting. What we'd like to do is launch

this campaign in September with Chris Reim, who's also one of our interested funding sources with the Sulcrete project. We're doing everything that we can to fortify our local partners and bring some outside resources to the table.

Wood: One of your go-to guys is William Fogelbach. Could you tell everybody who that is?

Giles: So, William Fogelbach is at this point a consultant to Erie Manufacturers. I believe that he had a great career with Plastikos before becoming a rep. He's quasi-retired. He lives in Florida half of the year now and in Erie the other half. So he's been suggesting to the folks here that with some marketing and promotional support, they can sell better. So, Chris Reim, knowing of Bill, when he sees opportunities in the field, he refers them to Bill. So, what he said to UECD was, "We could put some structure around this and perhaps Bill could consult with you to make your application tool more reticent with the local Erie manufacturers. Put it in their laps.

Wood: So long story short, we can use funders that are funding companies all over the world to get Erie manufacturers into their supply chain?

Giles: That's correct. And Chris Reim is all over the world now at symposiums, at conferences, and he's invited us to join that and create a Made in Erie campaign. So, at the end of it, we have a small request, which, for us, is an unusual request, to continue support through the end of the year. By the end of the year we will have closure with Savacchio Business Park, and we'll have closure with Sulcrete, because the symposium will have occurred. And so we think, by the end of the year, we will be in a position where projects will be self-sustaining, and we wouldn't need this sort of due diligence support from your organization. We thank you for it. We've made a lot of progress with it so far, and we think we have some short targets in the making.

- d. John Buchna, Bike Share. Wachter: Mr. Chairman, before Mr. Buchna begins, I'd like to note that I'm the former chair of the board of the Erie Downtown Partnership and am their current solicitor, although I have no idea what he's here to talk about.

Buchna: As this is loading I'll begin with just a brief...our organization, Erie Downtown Partnership, is in its 12th year. We are a nonprofit organization assisting the City of Erie and the community as a whole in its revitalization effort for downtown Erie. We have a very great presentation on a Bike Share program that I would like to introduce you to this morning. What I passed out to you is the executive summary of our downtown master plan. As the first few slides of this as it's getting ready to open, the master plan was a four-year process in our organization embarked upon to understand how we could move the downtown forward. The current plan that we were under was in excess of ten years old, so we've taken it upon ourselves to develop a new plan for downtown, the challenge being, is we don't own anything. Our organization is unlike others that typically build a build plan and work on a build plan. We were developing and have developed a recommendation plan.

That master plan, through the process, we were engaged in hundreds of meeting with key partners and organizations throughout the community to understand what their role and their goals were in their developing in their plan. As we developed that plan we also did many, many online surveys, and those online surveys were by the public. And, understandably, the public, it's their downtown. We want them using their downtown. So, as the plan was developed, we launched it at our May annual spring meeting of which we developed an acronym that we asked the community to CARE – care about revitalizing Erie. If you care, we want you to be involved. It's your downtown. This being

a master recommendation plan is something that we need the community's assistance in implementing.

We developed a site called ICareForErie.com. And as we scroll through this site, one of the first steps was to have the community first off understand the plan itself, because this plan connects with the city's comp plan, connects with Emerge 2040's plan. If you look at Emerge 2040, those of you I know have been engaged, the best way to look at it is that Emerge 2040 plans at the 20,000-foot level, the city's comp plan is at a 10,000-foot level, and then ours is at a 5,000-foot level focusing on downtown. In that, we want the people to understand that there are those connections. There has been extreme collaboration and communication, and there's no competition in these plans.

In this site we've asked them to say, please feel free to go here. The executive summary that I passed out to you is located on this site that you can view or download or the full plan – the full 150-page master plan. Again, viewers can flip through it or choose to download it. But we ultimately wanted them to understand, and I could again talk more about this plan at a later time, but the role of our organization, we, the Erie Downtown Partnership being a bridge, a collaborator, a communicator with other organizations so that this plan becomes implementable.

Straight up, our community in some of the local clubs and bars, there are tip boards out there that some of the people are taking bets on as to how long these plans are going to last before they're tabled. And I want to prove every one of them wrong. Ideally, it is our mission and here we said, "This is our role," and then we asked the community, "What is your role?" And in your role, we want you to be engaged. We want you to step up because that plan had six major goals, the very first of which was to take the downtown and subdivide it into four separate districts – north to south, Bayfront District, that goes Bay to 4th, 4th to 8th is Perry Square District, 8th to 12th Street is Renaissance District, and 12th to 14th is Union Square District. It's noted in that copy that you have there.

We want the public to step up and be part of those districts, to be champions and leaders. With that and throughout those meetings, and through countless online surveys, we understood that there are very many amenities that the organization and the community wanted – one of which was bicycling. With these recommendations, we then met with last week, ourselves, the city, and DCED, and said, "What are the opportunities?" DCED has told us directly that we are one the radar from Harrisburg define as, "on the radar." Well, because Erie has done some good extensive planning, the governor and his team are really looking to Erie to help this implementation of their plans, which again includes our plan, the city's plan, and Emerge 2040's plan.

There are two upcoming grants, one of which is due at the end of June and one of which is due at the end of July. The first of which is a greenways trails grant which typically involves the potential beautification of the bay front and some others that help connect the downtown to other assets within the community. The second one of which is a multi-modal grant, which is one of which in the process of our downtown plan, it talks about the finalization of complete streets. We have implemented a downtown master plan that includes a streetscape plan. Some of that streetscape plan from 12th to 14th was implemented. We need to continue it further to the Bayfront along State Street going north. Ideally complete streets that include the addition of bike lanes. Bike lanes not only add to some safety but ultimately add to the amenities that the community at large is looking for. Not every street, but certain key east-west, north-south routes. Our

philosophy here is that we want to get ahead of this. So in looking at the multi-modal grant opportunity we have, what we wanted to say in that grant is that we are literally looking at the transportation aspect. In this case, something different with bicycling being the focus. Understandably, chicken-egg, which comes first, you need the lanes, you need the amenities. This community is ready for a bike share program.

Let me go to another website. If we could go to Zagster.com. Through the past three years, we have been engaged, we received a grant that enabled us to purchase bike racks for the downtown community. In that process we learned that there are many other needs that bicyclists have, and those racks really opened our eyes to the opportunities. What else should the downtown and/or the community as a whole include? And that spawned into storage space stations, bike repair stations, and ultimately a bike share program.

Peters: Speaking of the storage, and I don't want to get you too off track here, are Ray Massey and the Parking Authority engaged in this?

Buchna: Absolutely. 100%. One of the slides I had prepared was through the last three years we have reached out and sat with the county, and you know as well as I, County Executive Dahlkemper is very much a supporter of bike lanes. The city, the county, the parking authority, the Erie events, the port authority, and primarily PennDot. PennDot is pushing for bike share that literally uses their current access park and ride. For instance, the Lincoln, on 12th and Greengarden, you park, you ride, get into a bike share, etc. The key element of a bike share is a basic operation where you walk up and there's a station that has bikes. In this case, five. Let's look at it, and again I had a graph, and I embarrassingly apologize, but there is a station that a user would walk up to and basically rent a bike, use the bike, and return it, and get charged.

We also met with Gannon University. Three years ago they started this program. We've done two feasibility studies through their student organization that have said if we develop this share program, what are the costs, how are you going to manage it, where do you utilize it? In doing it as a community, you're in excess of \$250,000. So, therefore, it just sort of sat here. Erie Insurance is looking at doing it for their own organization as is UPMC and others in the downtown and outside the community. Because of the cost we had to scratch our heads and say, "What is a different solution?"

There's an organization called Zagster that has implemented this in many other communities across the United States. If we scroll down, we can get a list of those. But, ideally, this is a turn-key organization that provides...they come to the community, they bring in all the hardware, software, maintenance, etc. Their only requirement is that a nonprofit organization, such as ours, be a contact as well as a contact to the community, as well as back to their organization. But it's turn-key. It's simple, complete. The sharing of technology – it's very technology driven. And in today's day and age, many folk have, of course, a cell phone. Ideally, current programs run off of a smart phone. The question became that we dealt with Gannon University is, "How does this serve those that don't have a smart phone? How does it serve those that don't have a credit card?" There are different programs, and we've been engaged with Zagster for approximately the last month. I have another conference call set up with them on Monday. Ideally they can alter their program so that it fits our community. Because ideally you have your resident and you have your tourist opportunity. The neat thing about a bike share program is they not only take care of the hardware, they take care of all the maintenance, the rider support, network management, meaning, what we looked with, and this is something, Chuck, you

asked about Ray Massey. Years ago we sat there and thought, “Who’s going to own it?” But ideally, who’s going to manage it? How do you take these bikes and reset them every morning? You take them here and put them there, they’ve got to be reset. All the hardware/software in terms of trucks, people, etc. It definitely was something that just came with a higher cost. This is all managed, including insurance.

Ideally they have riding partners on many large campuses of universities, many corporate, such as General Motors. And, again, this is a site that we can leave with you. But in discussions with them, other than the turn-key is they go into communities where our program could be a seasonal one. With our weather that we have here being a north, them being in the South, and having northern, it would be 6 months here, and when the southern communities and western communities need it, they would take the equipment and take it there – so the demand. As the snow birds go south, so to speak, and others, this equipment could be used there. It’s ideally always maintained by them.

Peters: And so this particular company, just so I’m sure I understand it, is because you are most interested in them because they provide everything for free?

Buchna: No. One last question. I was just getting to that, so it being a turn-key, they’ve shared with us last week they went into two different communities just recently and they based 25 bikes with a five share – five bikes per station – starts at \$25,000 on an annual basis. A good share program could get up to an excess of \$60,000, and this is on an annual basis. Derek’s(?) projections have shown in year three they become sustainable, that’s based upon ridership. Typically, there’s a membership involved of \$7-\$15. Then you’re charged per ride – it can be done per mile, per zone, per hour – again, some details to be worked out. But ideally a base program is what we’re here in front of the ECGRA board saying, “We want to start a pilot bike share program.” I’ve passed out a map, a handout of one of the plates, as we call it, from the downtown master plan. You’ll see there that’s identified which of the five primary locations in downtown that we would look to start. And I want to finish in what few minutes I have left is a very short video that they have here that they’ve done for the city of Cleveland. There’s an excess of almost 800 bikes in communities around the world.

Wachter: So, John, if they think that it will be self-sustainable in three years, does that mean that the community only has to pay for the first three, and then after that...

Buchna: It’s our belief at this point, is this funded seed money would be matched with some private sector to get us to a first year, work out the details. But then as these partners step up, we want to get to a five-share, six-share station program, more funders come on. We’ve not even talked anywhere outside Behrend, Mercyhurst, Presque Isle State Park. The key to a share program is having a big loop, a big route.

Wachter: So your request from the Gaming Authority is a one-time in order to...

Buchna: At this point. To launch the pilot at this time. To launch the pilot, put the base down, so that each year we can build more stations, more of the route.

Peters: I’d be very curious to see, and the video, John, maybe we don’t watch because we’re running out of time...

Wachter: John, would it be all right if they could email the video link out to everybody.

Peters: My question, John, is to fund something like this, I would typically want to see, okay, Zagster is this kind of program and it costs this much; Social Bikes is this kind of program and costs this much; XYZ company is this kind of program, etc., so that we can compare and understand. I think I heard you say that with this one we don’t own the

equipment; we basically are renting a service. It's a service just like any other. Does that mean that the other programs, you're buying the equipment, and that's where you came up with \$250,000 – you're buying the racks, you're buying the smart bikes? And then are you buying smart bikes or smart racks? I understand there's all kinds of variance to this, but I think you must have that research, and I think it would be helpful to understand how you landed on Zagster.

Buchna: Correct. Good point that you bring up, Chuck. The feasibility studies have done the model where we would own everything, and that's in excess of \$250,000. This particular opportunity is one of which is dealing with a lease, we're leasing the equipment. We have those financials that we could come back. Today, I was just in one of those, I don't want to say, "short notice," but it was one of those just putting together some of those initial not knowing where we want to go next. I apologize if I missed some information.

Peters: And then the other thing that I'm curious about is Bike Erie's position on whether investing in a share program versus, and maybe they're completely distinct issues, but the infrastructure in Erie is atrocious. You alluded to the fact of complete streets, and putting some roads on diets, and creating some bicycle lanes. I guess, is it completely different funding sources to get the infrastructure, because I think you have to have a cycling community here, right now, that uses their bikes for transportation, especially in the inner-city – you see it all the time – are they mutually exclusive? Is there also a plan, a real plan beyond just this, to start getting the funding for the infrastructure – you mentioned two grants that are coming up...?

Buchna: Bike Erie was with us through this process. They were with us in the feasibility study. They worked with us through the whole process. And we're at that point where we're saying, and we've even set in front of the Community Foundation. Once they said when is a more formal plan in terms of the downtown master plan, because, again, the infrastructure is important. Ideally the timing of us putting in a grant, part of the conditions they are looking for are what other types of transportation are you going to use to help leverage and utilize the multi-modal funds? And that grant, being due in July. And it's out intent to write...

Peters: So this, theoretically, would help that, because you'd say, "Well, we've already got this bike share. Now we need..."

Buchna: When we had bike share from Pittsburgh up, we met with their general manager, Bart Urovsky, took Bart around, and he said, "You have enough of an infrastructure now to launch your base program." Ideally, more would help from the state's viewpoint, but the community from a rider's perspective is ready. It's literally leveraging the plans to get the infrastructure ready.

Peters: And then my next question would be, does the city and the streets department understand? I happened to ride across East 6th Street the other day from my home in Harborcreek and out to the Peninsula. And you look at the westside lane on 6th Street versus the eastside lane, which is like this wide. So, does the city understand that there are things they can do, right off the bat, or do they not?

Buchna: They do.

Peters: I can tell you in Harborcreek Township they don't.

Buchna: This is why we are saying that we have to start with a pilot program. We have a base infrastructure, and we want to get a base program using this to leverage

that part of the video that's that message in there from some officials in Cleveland. It's leveraging and linking people to assets.

Peters: Who in the city understands that they are part of this and they are already spending money fixing streets, painting them, striping them? It's an incremental cost difference, really, until their answer is, "We have to do traffic studies to understand if we can really shrink down Peach Street, or whatever..."

Buchna: Street Safe Master Plan was adopted by the city when it was completed in excess of four years ago that includes key north, south, east, west, not every street, but key, one of which is State Street. The plan, it's in our master plan, we just need to complete that street. There is plenty enough room. To your point, the city has understood, now, again, what do we need to do to leverage is to move this thing forward. We think the share program could be just this, it forces it.

Peters: Other northern cities, Buffalo is using Social Bike, or they were, which is Karen Respecki's son.

Buchna: We've approached Karen Respecki's son. He has a GPS-led that you know where the bike is at all times. That's in one of our feasibility studies. We've already made contact. He's been in. We've talked to him.

Peters: I'm worried about the financials of Buffalo, not so much the technology. Because that's probably the most similar city. Pittsburgh gets a longer cycling season. Cleveland gets a longer cycling season.

Buchna: We did six different cities. Every city we looked at in the feasibility had weather similar to ours – lots of snow, frigid temperatures – basically a six-month program. We have again those numbers from a feasibility standpoint that said it's very expensive to do it on your own, but, perhaps, do a turn-key.

COMMITTEE REPORTS

- a. Treasurer's Report: Peters: Obviously we're still very much in the beginning of our fiscal year. I don't think there is anything in it out of the ordinary. It appears as though our audit is on track to be successful with those few changes that we talked about. As far as where we're trending percentage and budget wise at this point in the year, you can see in the reports that we're fine and on target. A reminder, maybe just for Jim, because I don't think you were in our last meeting, we did change the Schedule of Grant Reserve document just to kind of break things out a little easier. So, if there is any question about how we did that, let me, Perry, or Diane know. But I think that it really helps to make it easy to understand that there's money that sits in a bank account that while it looks as though we have this big balance, it's already committed other places. So, that's a difference from the last time you might have seen it, Jim.

As usual, we have the Check Detail Report, which you can all look at and see exactly where we've written checks. The other thing that's come up before, and I mention it almost every meeting, is that when it comes to credit card, which, of course now, like many organizations, we use the credit card – as the treasurer, I review that making sure that everything appears in order. If anyone would ever want to see that, they are welcome to that data.

Mr. Yapple makes a motion to accept the treasurer's report. Mr. Barney seconds the motion. Motion carries 6-0.

- b. Regional Assets Committee Report: Wood: The Regional Assets Committee hasn't met, primarily because we've been focusing our efforts on Youth & Education, as well as

Strategic Planning. However, the current grant cycle that we just completed is Multi-Municipal Collaboration. In July we'll begin, according to the Grants Management Plan, the opening of Community Assets funding, which will then be due in August, and awarded in September. So that's the next cycle we're looking at coming up with. And, of course, the final cycle of the year is Mission Main Street funding.

- c. Strategic Planning Committee: Paris: We had a meeting last week. A couple of things we talked about were the possibility of hiring a lobbyist, and the STEM program, which we'll hopefully be funding. Do you want to have any discussion about either of those topics?

Sample: The STEM program is set up later on the agenda.

Paris: I know when we were talking about hiring the lobbyist, the discussion went back and forth. Jim wasn't there, and I want to see if anyone else has an opinion on it.

Peters: I certainly don't want to speak for Mr. Bagnoni when he's not here. He made some really good points about if we were to go forward with a government relations firm that it would be wise for us to have some very specific goals in mind and focus. I reflected on those comments since that meeting, and I think that David really articulated those thoughts in a good way, and they are probably something that we should take seriously if we're going to proceed.

Yaple: And with that in mind, I'm a big proponent of it only because with another organization that I am affiliated with, we seem to get a little bit better results – I'm talking of PRLA which is Restaurant and Lodging Association. There are a lot of things happening in Harrisburg and/or Washington that we're unaware of. And we need to be in contact – I agree with David's itinerary – we ought to have a focus. But we've got to look for this money because there are monies out there that we can bring back to Erie, I hope, and maybe we need a pinpoint focus, but we do need to look into this. Other communities are doing it.

Peters: One of the examples that I think we could put on our list of specifics – let's pretend that we were going to go forward with Buchna's thing. He mentioned two grants that they're going after, and they are certainly going after those things on their own, as they should. Would it leverage our dollars by being able to have our government relations consultant help make sure that we are successful and that our partners – Erie Downtown, or UE CDC, or whoever it is – could we leverage our dollars just by having this resource to help? And maybe what we ought to do is, as a start to the specifics, look at those programs that we've funded that may be actively pursuing state and/or federal grant programs.

Sample: There's a lot of stuff in Harrisburg and a lot of places, and there are grants that we can get that we don't even know about. And if we can co-mingle or put it together with something or enhance another grant, I think there are a lot of opportunities out there that we just don't see. And with a good lobbyist, and, obviously, a focused effect, I think we're foolish not to at least – you know, it's one of those, "Can we afford to do it?" Yes. "Can we afford not to do it?" Absolutely not.

Paris: Perry shared a story before most everybody got here about Flo down in Harrisburg. Perry, could you repeat some of what you said?

Wood: I think the spirit of what I shared was the idea that we have a representative who is very connected with what is going on with the house of representatives. And we may not know that back here in Erie. But, Flo Fabrizio is very connected and, potentially, an under-utilized asset to help move this region forward. You can't really understand that until you've been to Harrisburg and see how seamlessly he

works on behalf of Erie and things that are important to us. I just spent the last 2-1/2 days in Harrisburg, and that was one of my greatest take-aways – that we have this under-utilized asset there.

Paris: So what I see is that you have people down there in Harrisburg that we don't utilize. So having a lobbyist down there...

Breneman: If I could, I was in Harrisburg too, and while I was down there I actually talked to my organization's lobbyist that we have down there. The force multiplier of having somebody with us experienced and expertise, while, I might be able to draft a letter that goes to the legislators. I'm an elected official; I know how to talk the talk. But they have relationships beyond that. They provide focus. When they talk to the legislators, when they talk to department officials, when they talk to other organizations – be it companies that are contracted with the state, be it with other entities that work at the state level – they already have those connections, and it would take forever to dig and try to find somebody, and you would still be lucky to have it. It's not just that they have the additional time to do it. They really do have these connections already established, and when they make a phone call, people pick up. And when they set something up, or when they do something – when they go to even our own state legislators, they get a quick turn around on some of these things.

Wachter: If I could add to that. I'm up to my eyeballs in certain lobbying activities. I was recently excoriated by various members of leadership in one of the legislative bodies for recommending to a school district that is going bankrupt that they hire a lobbyist, because it's a waste of money. Yet, they were all aware of our plight; they already had copies of our presentation; they all understood the numbers; and I was sitting in their office with my lobbyist sitting directly behind me. So, none of those things would have occurred if they had not been working for the last six months to educate the legislators on the actual problems. We thought that was quite humorous, actually, on the way out of the door.

Peters: I think that like the school district having someone like that to help them, it helps the whole community. I think us having someone, it's not about ECGRA, it's about leveraging our dollars and helping all of our partner organizations, because most of them don't have the ability to go forward with this. I think it's an appropriate course of action.

Wachter: I do suggest that you take a school of search for the Pennsylvania Lobbyist director. There is a search function in there where you can search for lobbyists. If you search for "county", there's going to be a big long list of counties which does not include Erie. If you search for "city," there's going to be a big long list of cities that does not include Erie. If you just do a search for "Erie," you're going to get Erie Homes for Children and Adults, which I've recently had them hire the Ridge Group; Erie Insurance, Erie Renewable Energy, Erie Zoo, Erie's Public Schools, the railroad, DevelopErie, Economic Development Corporation of Erie, and then after that you get into some corporate issues. You're very under-represented, folks.

Paris: What steps do we need to take to move this forward?

Wood: Tim and I have begun work on an RFP. If you are interested in further developing it, I gave out a draft copy of that RFP at the last committee meetings. So, we'll make sure that everybody has it in their inbox by the end of today. That RFP was very preliminary. I felt we definitely needed to have a public discussion on it, and that's why we are talking about it here today. But that RFP, to Mr. Bagnoni's point, needs to be

more focused on exactly what it is that we're trying to accomplish, who we're trying to help, and how we're going to proceed in going after the funds. Tim was very helpful on the idea of how to structure qualifications of the entity and what it is that we're looking for. And I think we all agree we need a bi-partisan agency that understands Erie, its market, and what it can do for us, and what we're trying to accomplish.

Peters: I would hope we'd continue with fine-tuning that. Once we see that, then I think we take action to put the RFP out and solicit.

Paris: Is that something that could be done by the next meeting?

Wood: Yes. Certainly I can continue to gather feedback. We'll have at least one committee meeting between now and our July board meeting. We'll solicit feedback at that time as well. You can, of course, contact me directly, and if we do want to proceed with this, we can vote to issue the RFP at the July board meeting. Tim, does that sound right from a timeline standpoint?

Wachter: You're not going to be able to affect this budget cycle. You're not losing anything by taking actions in July and August.

Paris: What about Asbury Woods? Where do you want to fit that in?

Wood: You want to have a discussion about Asbury Woods, right?

Paris: Yes, but where do you want me to talk about it?

Wood: We didn't technically discuss it at Strategic Planning. Do you want to bring it up under Old Business?

Paris: Sure.

Peters: Mr. Chairman, I have to leave, but I'd like to make a couple of comments before I do. If we talk about Asbury Woods, I think it should be in the context of what we've talked about two years ago, which was a plan for parks. Again, I think Strategic Planning also did talk about a framework for pilot programs so that we're more in line with the ruling. We've now, I suspect, that we're going to hear a second topic today where it's like, "Hey, we want to do this. Let's throw money at it." I think that we should be extremely cautious about how we just come up with ideas and throw money after them.

Wood: Mr. Peters is, of course, referring to the fact that at Strategic Planning we handed out a draft set of guidelines for the pilot concept for the board's recommendation. What you saw here today, of course, were two new ideas for pilot projects that are consistent with our Youth & Education theme, but also our Neighborhood Revitalization theme, which is a complex, multi-faceted idea that we don't really have a grasp on yet. Which is why we're exploring these pilot projects and learning, brick by brick, whether or not we can create some type of program in its place. You're going to see on the agenda today, of course, another thing that was discussed in Youth & Education which was STEMWORKS – the project with Fairview. We've seen the presentation; we've properly vetted the pilot proposal; the committee recommended we put it into resolution form. We're at that stage. The committee also reviewed Multi-Municipal Collaboration – a history of the program; how we got to where we are, and the four applications we've received today. The committee also recommended that we move forward with funding those four proposals based upon staff vetting and discussion. So you're going to see those two resolutions today, but going back to pilot projects, I just want to reaffirm – I talked about this last board meeting – we are building our case of our understanding of neighborhood revitalization and how we effect the youth and education of our community.

Peters: Yes, all of that is correct, and I take no issue with any of that. What I believe the Strategic Planning Committee is for is to thoroughly vet things like a parks program, or a loan pool for operating shortfalls of various entities. I think that we should utilize those venues that are already in place to thoroughly discuss. It's very difficult in a two-hour meeting to go over this much data and be effective in our understanding of it. As I depart, I would just strongly encourage my colleagues to use the venues we already have in place and make sure we vet these things very carefully. Sorry for the disruption. And, by the way, I have no issues with the two resolutions – not that it matters because I'm leaving and won't be here to vote.

- d. Update from County Council: Breneman: I don't have a report. But on the Asbury thing, you're talking about two taxing bodies and a nonprofit minimum. That's inter-municipal collaboration right there. That should have happened. Strategies should have taken place beforehand. Maybe also think about it as not necessarily from the MMC Grant but as a fine example that long-term thinking between governmental bodies and nonprofits and other sectors of the community is happening.
- e. Update from the County Executive: Lee: Just want to go over some of the key highlights for the Summer JAM program. As you know, the program is in full effect as far as recruiting companies and students. We're looking the third week of June to do orientation, with the job aspects starting the fourth week of June and the first week of July. And it's going to be a total of seven weeks, and should end approximately the middle of August. All the jobs should be wrapped up. We're looking at about 160 students participating this year between the ages of 16 and 21. We did a major outreach to try and go outside the City of Erie, because, in the past, and you know it's a county program, we wanted to get more representation outside of the city. Last year it was 69% in the city, 31% outside the City of Erie. This year it's going to be probably about the same, to be honest with you. It's going to take some time, and a lot of that has to do with recruiting more employers outside of the City of Erie. GECAC is doing a really good job down in the Corry and Union City area. We have 10 employers involved in that area that will be participating this year, but West County and East County, we still need to do a little more work.

As far as from the funding aspect, of course the county has invested \$150,000; ECGRA has invested \$150,000; Erie Community Foundation - \$60,000; Erie Insurance, their contribution investment will be about \$23,000. We have Gannon University at about \$3,000 at this point, and National Fuel – they're putting in \$1,000.

We're excited about the program. WIA, which works with the Workforce Investment Board, they have some money – there are some stipulations with that money. We're working with Janet Anderson. That money has to go directly to GECAC. What that would enable us to do would be to put some more students through the program, if they can meet those criteria. We will be getting feedback from Janet Anderson's Group, Performance for Partners, very soon here to find out what that amount is and what kind of impact it could possibly play.

We're excited about the program. This is our third year doing it, the second full year. The first year, as you know, was a pilot. We just hope to continue to grow it.

Wood: I will be brief. You're going to see in your executive director's report some of the great community coverage that has taken place as a result of Tech After Hours, which is one of the largest projects that we funded in 2015. It even went into national news what we had done there. Also, the Maker Movement and Maker Equipment projects got some great press, and all of the school districts of Erie County now have their maker equipment in hand. We also had a successful launch with Bridgeway Capital on the Erie Growth Fund. If you remember, we put a \$1,000,000 mission related investment into that program, which they leveraged with another \$4,000,000 from outside the community - \$2,000,000 of which was Goldman Sachs, \$1,000,000 from PNC. We brought wealth into the community with our leverage. The launch of the Erie Downtown Master Plan also took place, which we were a key funder of. And, of course, some of our Mission Main Street programs came to fruition as well. We did hold a Youth & Education Committee meeting June 1 to discuss the STEMMWORKS proposal – I'll enter that into record, the notes from that as well as from the Strategic Planning Committee meeting on June 1 to discuss Multi-Municipal Collaboration Grants, some draft documents from the audit process, a government relations RFP. We discussed Shaping Tomorrow. We distributed pilot project guidelines, and there was a quick update on Ignite Erie.

A couple of important dates for you. June 14, this should be in everyone's calendar, of course, is the Shaping Tomorrow meeting. It takes place from noon to 3:00 p.m. at the Manufacturer and Business Association. That is for the seven key voting board members to attend. There is a binder of the grants that will be discussed at that time. There are a couple of ways that you can handle this as a board member. You can review the grant binder and bring your thoughts with you to the June 14 meeting, or you can review the grant binder, go online with the login and password that we gave you – we're giving you access to The Community Foundation's online process – and you can evaluate and score these applications online if you have time. There are twenty-some applications in here. This is one of the largest rounds that they've ever received. There is potentially \$5,000,000 on the table to fund these - \$4,000,000 from the Hagen Philanthropy Fund, approximately \$500,000 from The Erie Community Foundation, and approximately \$500,000 from us. That's a far cry from the \$1,000,000 we invested last year in four transformational programs. Now we have a process with up to \$5,000,000 available because of the Hagen Philanthropy Transformational Fund. This is probably the most important thing that we've done to date as an organization. I think the mission related investments are right up there with this. But the amount that can be invested and the impressiveness of some of the projects in this portfolio are a new milestone for this community – not just for us as a funder, but for this community. If you have any questions about any of these, I'd be more than happy to discuss them with you, but some of these projects are transformational. They really have the ability to create long-term changes in the community.

Another thing that I've done is I've given you this book, *The Smartest Places on Earth*. It's about how rustbelt cities are leading revitalization post Great Recession. This is heavily tied to the research that you know I've done on advanced industries in our community, and how advanced industries are supported by the private sector through industry+university relationships, which, of course, is a major focus of our Ignite Erie program. I wish I would have had this book when we were designing that program. Unfortunately, it just came out about a month ago. But I want to give you this book as a kind of a debrief to where I think many of us are headed with Ignite Erie. I've also distributed another 30 copies to the community to decision makers, leaders, and, of course, members of the Ignite Erie program.

The second date is June 15. I've asked the Strategic Planning Committee to meet with a gentleman from the Erect Fund. The Erect Fund is a venture capital equity fund out of

Pittsburgh which the majority of its contributions come from pension funds from the construction trades. What they've done is they've pooled their money together to help get development projects around the commonwealth up and running. They finance these projects, and, of course, they are experts in redevelopment capital assistance funds. So they help get these projects up and running. I don't know what ECGRA's role could be with this group. There may not be one, but I want to explore it. I want to talk to this gentleman – his name is Tad Emery – he's the principle. We're going to be talking with him about the role we could play, perhaps, in participating in their fund or in participating in development projects in Erie.

Barney: You said the 15th. Time and where?

Wood: I only distributed that to the Strategic Planning Committee, but if you'd like to attend, we can certainly do that. I'll follow up with you on the details of that.

The third date is June 16. Bridgeway Capital is holding an event at Erie Ale Works. That, of course, is one of the projects that has been funded – the Erie Ale Works expansion with the Erie Growth Fund. So, that's some of our funds at work there – one of the first projects. That is from 5:30 p.m. to 8:30 p.m. at Erie Ale Works, 416 West 12th Street. If any of you are interested in attending, please let me know, and I will RSVP you on behalf of ECGRA.

SOLICITOR'S REPORT

No report.

OLD BUSINESS

12-month extension request for the Erie Downtown Partnership 2015 Mission Main Street Grant. Wood: This is really perfunctory. Staff has the ability in our grant guidelines to extend any grant by six months. When it goes beyond six months, I feel it's important to bring it back to the board to let the board know about it. But, for the most part, it's pretty non-controversial. It's a timing issue. They're asking for their grant to be extended 12 months, rather than six.

Sample: If it's a timing issue, and we're always aware of that. If we thought it was important enough in the beginning, it's probably still important enough.

Mr. Paris makes a motion to approve the extension request. Mr. Barney seconds the motion. Motion carries 5-0.

NEW BUSINESS

- a. Resolution No. 13, 2016 – Resolution to adopt the Fairview School District STEMWORKS pilot project. Mr. Yapple makes a motion to adopt the resolution. Mr. Domino seconds the motion. Motion carries 5-0.
- b. Resolution No. 14, 2016 – Resolution to enter into agreements with the 2016-17 Multi-Municipal Collaboration Grants recipients. Mr. Paris makes a motion to approve the resolution. Mr. Yapple seconds the motion. Motion carries 5-0.

ADJOURNMENT

Mr. Yapple moves to adjourn.