



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
June 21, 2018

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on June 21, 2018 in the Jordan Room; 5240 Knowledge Parkway; Erie, PA 16510. 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. Paris, Mr. Peters, and Mr. Sample. Mr. Lee, Mr. Wachter, and Mr. Wood are also present.

PUBLIC COMMENT

There is no public comment.

NOMINATION OF OFFICERS

Mr. Paris: I would like to put a slate of officers and name myself as Chairman, Dave Bagnoni as Vice-Chairman, Dale Barney as Treasurer, and Perry Wood as Secretary.

Mr. Peters: I would second that.

Mr. Sample: Is there any discussion?

Motion carries 4-0.

Mr. Barney: I have a question. How do I know Mr. Bagnoni is accepting of the nomination?

Mr. Wood: I guess we'll find out at the next meeting.

Mr. Sample: Did anybody discuss it with him?

Mr. Wachter: If I may make a comment, Mr. Chair. The By-Laws indicate that except for the office of Executive Director, any number of offices may be held by the same person. I have a concern that we may have done it incorrectly in the past with Mr. Wood serving as Secretary and Executive Director as

that would be multiple offices being held by the same person. I would request that the motion be amended.

Mr. Paris: I will revise my slate of Board Members to myself as Chair, Dave Bagnoni as Vice-Chair, Dale Barney as Treasurer, and Dave Sample as Secretary.

Mr. Peters: I would second that.

Mr. Sample: Is there any discussion?

Motion carries 4-0.

Mr. Barney: I still have the same question; you have someone that was nominated and he's not here. How do we know he is going to say yea or nay? What situation would that present?

Mr. Wachter: Mr. Bagnoni has the right to resign from the position should he wish, which would create a vacancy in the position that would then have to be filled pursuant to the terms of the By-Laws.

Mr. Sample: So, it wouldn't make the whole slate null and void?

Mr. Wachter: No, it would just be the individual office.

APPROVAL OF THE AGENDA

Mr. Peters makes a motion to approve the agenda as presented. Mr. Barney seconds the motion. Motion carries 4-0.

APPROVAL OF MINUTES – May 2018

Mr. Peters had the opportunity to review the minutes and makes a motion to approve the minutes as presented. Mr. Sample seconds the motion. Motion carries 4-0.

DIRECTOR'S COMMENTS

Mr. Sample: I found it offensive that County Council had asked us to appoint two new Board members; we got two great Board members. Then we found out that the By-Laws needed to be amended. We went through those efforts and when it went back to County Council, they refused to do their own thing. I just think that was rude and ignorant.

Mr. Barney: I would like to also speak on that. I thought it was quite odd; I was on vacation and was on a meeting via phone to ensure that this process took place only for it to be of naught. I apologize for talking but I was talking to Gary on this particular thing when this started. I appreciated working with them.

Mr. Wood: Can I ask of the Solicitor just for the record, what happens when we pass something like that and send it to another body of government? What is the process supposed to look like?

Mr. Wachter: According to the Economic Development Financing Law, we would first take the steps to adopt a resolution for the purpose of amending the Articles of Incorporation through an Articles of Amendment that then goes to the incorporating body, which in this case would have been Erie County Council. Erie County Council would then review that resolution and should they agree and approve, it would then trigger an advertisement be made in the Erie County Legal Journal, as well as the local newspaper of general circulation. After that advertisement would have run for a period of three days, it would then be filed with the Secretary of the Department of State within the Corporations Bureau in order to affect the Articles of Amendment.

That not having occurred where County Council did not adopt a resolution to further the process, then the whole procedure from the Gaming Authority's perspective ends; I won't say without a resolution because the resolution is that it just ends. There are no further steps that we are to take.

Mr. Wood: Just for the record, has any received any communication from County government as to why they did not move forward with that?

Several "no's" from the Board.

Mr. Wachter: To my understanding the only communications that have been understood as a result of this procedure have been through the media.

Mr. Paris: So, we have not changed our By-Laws?

Mr. Wachter: It wasn't a change to the By-Laws; we would have had to change the By-Laws after the Articles of Amendment were approved. At this point, the By-Laws still reflect that there are nine members of the Authority, seven of which are voting and two of which are ex-officio.

Mr. Paris: What would happen if we did change our By-Laws without them?

Mr. Sample: The Incorporating body has to approve it.

Mr. Wachter: The By-Laws are yours; if you wanted to adopt By-Laws changes there are no other approvals that are necessary in order for that to occur. If you wanted to create additional ex-officio seats to give a more structured opportunity for certain individuals to speak at the Board level without having to be relegated specifically to public comment, I would say that that is something that would be within your rights. I would advise against giving them an ex-officio designation as that ex-officio designation would, it appears that it does come from, the County Administrative Code when it sets up the Gaming Authority; so, I would advise that it would be a separate designation – some sort of representative of sorts.

Mr. Paris: Is this something that we should discuss and can discuss at some point?

Mr. Wachter: It would be proper to discuss it and I would recommend it because there are other changes in the By-Laws. If you recall, these are the original By-Laws that we are still operating under from 2008 or 2009. There are some changes that I would like to see and recommend in them such as allowing for assistant secretary positions, such as, specifically allowing for the position of secretary to be held with other multiple offices, which is more of a standard language that is seen within other government entities.

Mr. Wood: Like Secretary/Treasurer.

Mr. Wachter: Secretary/Treasurer, Secretary/Executive Director. I do like in an organization of this size, particularly in the nuance on the financial end, to have the Secretary and Treasure separate so that you have additional separation of duties from an auditing standpoint. But a Secretary and Executive Director is merely a matter of convenience in operational efficiency. Those are things that we could take a look at.

Mr. Wood: So, maybe we should create a By-Laws Committee.

Mr. Wachter: I think a By-Laws Committee to actually do an in-depth review of the By-Laws and determine what may be appropriate to modernize, just to reflect the manner in which we have may been operating by practice, would be appropriate.

Mr. Lee: Mr. Chair, if I may. The County Administration is extremely concerned with this particular situation. We are in the process of having our Solicitor reach out to County Council to find out exactly what is happening. The only thing that we know at this time is that they have taken it off the table and there has been no discussion as far as which way it is going to go. So, we are going to have our Solicitor reach out to find out what's happening from that perspective. Hopefully, we will be hearing something soon.

From the County Administration perspective, County Council was the one that initiated this as far as expanding the Board. We concurred because we thought that it was a good idea to expand it. The County Executive selected two individuals that were definitely qualified and added a lot of value to the process and then all of a sudden it comes out that they are concerned about By-Laws. Hopefully we can work with County Council, in our opinion, to have them do what we believe is right, which is to go according to our original agreement as far as the expansion of the Board and they will honor the County Executive's selections. Thank you, Mr. Chairman.

Mr. Paris: I would like to get the Committee going and if we can change our By-Laws then there's no, what other reason would there be after that?

Mr. Sample: County Council would still have to approve it.

Mr. Paris: Right, but they can't come back and say . . .

Mr. Wachter: So long as the By-Laws are not in direct contravention to any of the incorporating documents, we'll be okay. I will note in following up on Mr. Lee's comments that there is no time period in which County Council is authorized or required to act in response to our resolution. We were pushing it; we wanted to move it quickly so we could resolve this situation and the error caused by County Council and the improper manner in which they adopted the expansion to begin with and we wanted to do that in a timely fashion so that this Board could have the benefit of the experience of the two appointed members. However, if that sat for two or three months, unless this Board was to rescind its resolution, then it remains an open question for County Council.

COMMENTS BY THE CHAIR

Mr. Paris: I'm just happy to be nominated. I've been here for quite a while and I've seen a lot of things go on and I just look forward to keeping things moving forward.

PRESENTATIONS

There are no presentations.

COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Peters: I have a number of things I would like to discuss, as Perry had mentioned. The first thing is the financials for this past month; I'd like to talk a bit about the audit, and like Perry said, we'll give you some time to review that until next month; and then finally, a number of months ago we started talking about having quarterly reviews of the financials by an outside firm.

Mr. Wachter: Mr. Peters, if I may interrupt for a moment. Mr. Barney, you are currently the Treasurer of the Gaming Authority. Would you defer to Mr. Peters for this report?

Mr. Barney: Yes. Please go ahead.

Mr. Peters: Sorry about that, Dale. It's just a force of habit.

Mr. Wachter: I just wanted the record to reflect that. Thank you.

Mr. Peters: Certainly, I will spend some time, Dale, to bring you up to speed on how this all works. Okay, let's start with the financial package which you all have on your SharePoint; Perry is always kind enough to print it for me since I can never login on my technical device. In the interest of time, if there are no questions, we're on track. We're only a couple of months in to our fiscal year; there's really nothing of note.

Mr. Wood: Can I make one observation that I would think is of note?

Mr. Peters: Certainly.

Mr. Wood: We did have a discussion with MaherDuessel. In the past you would see the Enterprise Development Fund (EDF) had two accounts that would come in from interest. Because we restructured, we talked to MaherDuessel about how to consolidate that on our financial statements, so, you'll see EDF – Restructured.

Mr. Peters: That's on the Balance Sheet.

Mr. Wood: On the Profit & Loss and the Balance Sheet. Thank you.

Mr. Peters: There's really nothing of note other than that change in title on the Chart of Accounts so, if there are questions, I'd be happy to answer them. You've got all of the typical financials, including the Check Detail and a copy of the Visa statements.

Mr. Wachter: Mr. Barney, as you're finalizing the audit, if you could take a look at page four of the draft audit, . . .

Mr. Peters: Can we come back to the audit in a bit? So, anything on the financials from last month – are there questions or concerns?

Mr. Sample: I make a motion that we accept the financials as presented.

Mr. Barney seconds the motion. Motion carries 4-0.

Mr. Peters: Related to the monthly financials, we had talked about and really moved forward by building into the budget of funds to have an outside firm look at our financials on a quarterly basis. We of course get an annual audit, so it really only added three more reviews. This came about because, with new Board Members, there was a lot of question about how we were handling looking at these numbers. Certainly, staff does an amazing job however, neither of our staff members are accountants; so, we thought it would be a good idea to go forward with MaherDuessel, who we've been working with.

If you recall, there was question about why we didn't put notice out and solicit bids. At the request of the Board, the staff did that; we sent a request to MaherDuessel, the incumbent; Shafner, Knight, Minnaugh which of course is a relatively good-sized local firm; Felix & Gloeckler, who if you recall was our prior auditor and had worked with the County; Presogna; and Monahan & Monahan. Felix & Gloeckler did not respond at all, and we did reach out to them; they apparently are not interested. Two folks said that they could not do this type of audit because of the type of organization we are as an Authority.

What we ended up with is MaherDuessel and Shafner who came in and said that they could do it; similar prices - \$1,500 per quarter – and then the fourth quarter is currently \$6,500 for the audit; that will increase by \$200 each subsequent year. My recommendation is that we stick with MaherDuessel. I have no issue with Shafner, Knight – they do work for one of my businesses; I like them a great deal. However, we had just changed from Felix & Gloeckler, I think we finally have an auditor that is up to speed and familiar with our organization so, I would recommend that the Board agree to move forward with MaherDuessel for the quarterly reviews, totaling four – three additional and the annual. That will total about \$11,000/year, which is what we budgeted for.

On to the audit. Tim, Perry, and I have all spoken at length with MaherDuessel to make sure that we understand; Tim does have some comments so I will refer to him.

Mr. Wachter: Sorry for jumping the gun earlier, Mr. former-Treasurer. On page four under General Information we have the last paragraph of Note One speaks to the expanded gaming legislation. I would not that there is an error; it seems to be missing the first word where it should say, "ON October 26, 2017" rather than just starting with the date.

I would then also direct you to page eight, the last paragraph of Note Six, not for an error correction but to see if there are any questions. This is the 1855 Capital Fund loan that we had done with them. If you remember correctly, this is not your standard loan. This is a, I believe they call it a Participating Interest Loan, but it is what we refer to as Contingent Interest. The way this loan works, and I'll try to describe it without getting into too much detail in the Note, there is a semi-annual minimum interest that is to be paid to the Authority; that minimum interest is that interest which is earned by 1855 Capital during the period of time that they have not invested our funds with another company. If our funds are sitting in their bank account or if they're sitting in some sort of fund that they have interest-bearing account, we are earning interest on that until such time that they invest it in a purchase of equity within a particular company. There would be no other interest paid to the Authority until the maturity date, in terms defined by the loan. That maturity date is either in 2027 or it can be extended by the Fund for a limited period of time or that maturity date would be such time that they sell the assets of the Fund and they close that Fund out. At that point, the interest that we would

be due would be any outstanding minimum interest, fixed interest, participating interest, and principal.

The basic differences between those are that we know what the outstanding minimum interest is, we discussed that; a fixed interest is a flat level interest which is going to guarantee us a minimum amount at such point when they cash out; a participating interest is essentially calculated as being that amount of interest that we would be due on the loan that would be equivalent to the equity take if we were an equity purchaser within the Fund. If they invested one dollar, the company sold later for five dollars a share, the take on that would be four dollars; that is then reflected in terms of an interest calculation which is why we are providing a loan versus an equity purchase.

Mr. Wood: Which we are unable to make an equity purchase as a local government Authority.

Mr. Wachter: This is also the same exact procedure the Commonwealth of Pennsylvania uses through their Economic Development Financing Authority in making similar investments. So, that's what that paragraph is trying to reflect. If you have any questions on it, I just want you to be clear why I use words in here such as, "as those terms are defined in the loan" because trying to explain that in one paragraph is just going to cause more confusion. If anyone has any questions, we have the loan documents where we spell all that out.

Mr. Paris: Do you have anything else, Chuck?

Mr. Peters: I don't but if you have any questions, feel free to talk to me, talk to Tim, call MaherDuessel, we can put you in touch with the actual auditor. I had a bunch of questions initially; they are very easy to talk with so, if you've got questions, ask. It's a very comfortable process.

- b. Strategic Planning Committee: Mr. Paris: We had a meeting last week, on Tuesday, which was Mr. Peters, Mr. Sample, Mr. Lee, Mr. Bagnoni, and myself were at. I was only there for part of it so Perry, I would rather you go through the discussion on that since I had to leave.

Mr. Wood: I would be more than happy to do that in my Executive Director's Report if that's okay.

Mr. Paris: That would be good. We covered a lot of stuff.

- c. Update from County Council: Dr. Foust is not present.

- d. Update from County Executive's Office: Mr. Lee: Thank you, Mr. Chairman. The update on the Summer Jobs & More Program and where it stands is that everything is going really well. Last week they completed the soft skills training, they have actually been assigned to various work projects this week and that is going to be going on for the next two weeks, as far as assignments. There are going to be a total of 175 students participating in the program.

As you know, 80% of them are still in high school, which is great because it gives them an opportunity to find out what it is that they do enjoy doing and what it is that they may not enjoy doing so much. This is just a fantastic opportunity.

About 45 employers, and the breakdown as far as inside the City of Erie versus outside the City of Erie – about 65% are going to participate inside the City of Erie as far as students, and about 35% outside the City of Erie. Our goal is to work toward 50/50 because it is a

County program and that is really important to us. There has been an improvement from last year because last year it was under 25% outside the City of Erie and that was very concerning to the Administration. We're back on track to getting closer to what the original goal was which is 50/50 and we're excited about that.

What's going to be done differently this year is we decided to move away from paper checks; the students were receiving paper checks. Now it's going to be deposited into their accounts. If they already have a savings or checking account, that's fine, but we had different institutions come in like Erie Bank and Widget Financial to do presentations and to offer some of their products at no cost to the students, which is really good because it is allowing the students to understand the importance of banking and the importance of saving and investing; also, how to manage their own personal checks. That is something new this year that we are doing.

In addition, we are going to be expanding on the community service project; we're partnering again with ServErie. This is really important because we want the students to understand the importance of paying it forward because they are so fortunate to be part of this particular program.

Those are the highlights. The program will end probably in the middle of August; that's the target date for all the assignments to be completed. Erie Insurance along with Gannon University, Saint Vincent, and many small businesses have really taken the program to the next level as far as engaging the students. I know that Erie Insurance and Gannon University have a Lunch & Learn series where they have the students come together one time a week and meet with different leaders within a company or organization and share with them on the various topics. This has just been a fantastic partnership with ECGRA, as well as the Erie Community Foundation and some of the organizations that been able to invest financially. Are there any questions on that?

One other point that I would make so I can bring you up to speed as far as from the Administration is Choose Erie. We had Up for the Jobs and it has transformed or evolved into Choose Erie. A few months ago, Kate Philips came in and made a presentation about the research part and how they were looking to have ECGRA participate in that. That's going to be coming back to the table. She is working with the Chamber; the Chamber will be the organization that will be submitting for the application. This has been a collaborative effort with Erie County government, the Chamber, entities from the Department of Labor, United Way, and the local unions. If you recall, this is an opportunity for us to be able to market our workforce; not only market our workforce, but it has benefited our worksites and be able to get on a selected list so we can market Erie as a region as far as being a good place to come.

I know that the Chamber and Kate Philips are working very diligently on getting the information into the ECGRA Board so they (inaudible). Thank you, Mr. Chair.

Mr. Sample: I just have a question. Where does the Community College stand?

Mr. Lee: Very good question. As you recall, Erie County submitted the application to the State last June. At that time, we were informed that it would be approximately 12 months because the State had not approved a State College in over 25 years. They came back to us in the end of January with a list of additional information and the County did submit that information; it was five pages of questions and we submitted a 31-page response because we wanted to be very thorough.

Where it stands now, the goal was to have the community college on the agenda for the State Board of Education in May. We were informed in April that that was not going to transpire because they did not have all the information from the Governor's office as well as

the Department of Education. They were looking to have it on the agenda for July; I have placed a call down to the State Board of Education to find out if it will proceed as stated. I have not heard anything; we will be following up with them.

This has been a process that has been a lot more political than we had wanted it to be; there are a lot of things happening in Harrisburg. We have been told that this will become a priority after the budget is completed and all talks as far as the budget, of course, have to be passed in a timely manner. Someone was saying they were looking to have it by the end of June; but they were definitely saying by the middle of July they would have completed the budget. Once that is done, we will be engaging the Governor's office to find out what has transpired.

Mr. Wood: So, keep it out of the budget process, right? That makes sense.

Mr. Lee: Thank you, Mr. Chair.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Wood: A couple of things real quick. You might remember me handing this report out a couple of months ago; one of the authors of this report is the keynote speaker to the Economic Research Institute Summit here at Behrend. We sent out an email to you to let you know that we have two tickets available if anybody would like to take advantage of those; just let Tammi know. We're one of the sponsors for the event. The other thing is there is a copy of "Our Towns" in front of you written by James and Ted Fallows chronicling their trip all over the country to mostly small and mid-size communities like Erie. Erie is the final chapter in the book; ECGRA and County government and all of our partners – there is a lot of complimentary things said about the efforts that we're putting forth there. So, please, enjoy the copy of the book and if you already have a copy, then pass it along to someone who can enjoy it. It's a nice read and a hopeful read about the future of this country.

We already talked about the draft audit; I just want to remind everybody to please, feel free to reach out to myself, the Treasurer, or MaherDuessel directly if you have any questions. They will be here at the July Board meeting to present the audit to us and answer any questions you might have.

We did have a Strategic Planning Committee meeting since the last Board meeting in which we reviewed Anchor Building, Municipal Collaboration, and Round 2 of Renaissance Block funding, as well as a Pilot Project which is a partnership of Bayfront East Side Taskforce and Our West Bayfront. Then we went through a process in which the staff explained how we reimagined the Community Assets grant. There is a Ridge Policy Group update also in your Executive Director's report and then I want to talk a little bit about what is coming up next.

Anchor Building – a brand new grant program; the Board certified it just this year as part of our Neighborhoods & Communities program. Nine applications were submitted for this first round, one of those applications was deemed ineligible and three were declined for funding through the grant process for a total of \$772,151 has been requested and the committee recommending five of those applications to the tune of \$419,251. You'll see that in Resolution Number 15 on your agenda.

Next, Multi-Municipal Collaboration – created in 2012; we did a mid-term progress report on it in 2014 to see how things were going. We've been tweaking it and looking at how to improve it over the years. This is probably the best grant round we have ever received. There were 11 applications; none were ineligible - they were all eligible to the tune of over \$500,000. The committee is recommending eight applicants get funded at \$445,550. The details are in Resolution Number 16. The City is one of the groups that was recommended.

Next is the Renaissance Block group, round 2 – a brand new program created this year. The first round was awarded just in May to seven neighborhoods throughout Erie County. Four applications required refining; one of those decided not to come back in and three of them did through a series of meetings. You'll see that funding for those three as Resolution Number 18. I would say that those revised applications for BEST, Preservation Erie, and ServErie, there is a more realistic alignment with the planning documents that are available in our community as well as their individual capacity as an organization to complete a Renaissance Block project. Three applicants - \$161,840 in Resolution Number 18.

Next, a Pilot Project between the Bayfront East Side Taskforce which would be the primary applicant on this and Our West Bayfront to basically create a workforce development program in which recent college graduates will come in and work in these two neighborhoods in various revitalization capacities. They are requesting \$15,000 as part of a \$70,000 program. We went through our process at ECGRA by looking at the following questions:

1. Has this need been documented? Yes, in various revitalization plans and reports.
2. Does the request fall outside the existing ECGRA grant programs? Yes.
3. Does this request bridge a gap in the current funding system? Yes
4. Does the request fall within the ECGRA's Strategic Plan impact area? Yes, Youth & Education and Neighborhoods & Communities.
5. Does the request have an economic and community development focus? It is basically a workforce development program with a neighborhood-based renewal focus.
6. Does this request qualify as a purpose under the PA Economic Development Financing Law? Yes.
7. Is there a minimum match of 1:1? Yes.

Finally, Community Assets – we had a spirited discussion about Community Assets and kind of the future of this program. The staff, at the direction of the Board, reviewed the Community Asset grant; you know this is one of the most overly subscribed grants; we only have about \$150,000 available for it. We normally get \$350,000 - \$400,000 in requests. We've tweaked it over the years by doing a series of policy refinements in order to refine what we mean by Community Asset. The staff took it in a different direction presented at the Strategic Planning which was to expand the definition of it; to have three subcategories.

In the past, the subcategory was Arts, Culture and Heritage; we still have a tremendous demand for that bucket. We're asking you to raise that to \$200,000 and once again allow for a maximum of \$15,000 per application.

We're asking you to add Parks, Fields and Trails with a bucket of \$500,000, with a maximum of \$50,000; this is another topic that comes up repeatedly. And finally, Community Centers. For the first time a grant specifically dedicated to Community Centers with a bucket of \$300,000 with a maximum of \$15,000. The details of these are in the Guidelines which were reviewed and are one of the Resolutions on your agenda.

Mr. Peters: If I could make one comment, Perry, on all the items you just reported on. I really enjoyed the meeting of the Strategic Planning Committee and I know we're advertising those and inviting all Board members and I think most were able to attend. I think what was really exciting about it was that, now that all the issues we had last year are behind us related to whether we would exist and whether there would be funding, are past. What was really exciting is that we're doing what we had done for so many years prior and that is to come up with new and unique, novel approaches to funding some of our great local non-profits and government entities. It was a great meeting; I thought the staff did a tremendous job in preparing. Tom and Perry and Tammi had really nice Power Points that went through each of the categories but also each of the things that we were funding. Dale, I don't think you had a chance to be there but it was a really cool meeting. Thanks to the staff who worked really hard to pull together a good and long, but productive, meeting.

Mr. Wood: Thank you, Mr. Peters. The Ridge Policy update, briefly; there is a report from May to June of what activities are going on in the five focus areas. Where we're currently focusing really is the EDA Regional Innovation Funding, as well as youth, education, and workforce funding that we've made a lot of progress on.

We struck out on the neighborhoods area and we're still collecting information on Blue Zones which we think will eventually get up and running; at least we are very hopeful. I think we are sold that that is a key economic development program for the future. Not so much on transportation, site selection – we're waiting to see some information come out of there. Are there any questions about that?

Mr. Peters: I have a question for Mr. Lee about that. I have run into the County Executive out in the community a number of times and I know that this is one of the things that she was very vocal about. I'm curious, is the County Executive able to participate? Are we including her? Is she feeling like we're making some progress? Is this something that we need to pay attention to in a different way than we are right now? I have not participated in any of those meetings; I'm just curious who is.

Mr. Lee: Mr. Peters, that's a good question. Yes, the County Executive is still engaged as far as taking a leadership position for this particular initiative. She has spoken with Mr. Wood, they have met on several different occasions to talk about this particular initiative and some other initiatives. This still remains to be at the high level as far as pushing. The Administration feels that it is still imperative because it is a very healthy investment as far as possible. This is something that would have to be a collaborative effort. We've been working with the health organizations, meaning UPMC Hamot, St. Vincent Allegheny Health Network, and of course LECOM. Those talks have been going a little bit slower than we would like them to be going, but nevertheless, they're still going as far as talking with them. The goal is to hopefully within the next sixty days to have a much clearer understanding and a much clearer picture on how this initiative will play out. It is still active, yes ECGRA is still engaged, and those conversations have been going well.

It's just one of those situations where it is something new. And when you talk about something new, especially you're not talking about bricks and mortar where you're having a price tag on what it's priced at, people want to do their due diligence, in which they should. Thank you.

Mr. Peters: And are you satisfied, Perry, and is the staff satisfied with how RPG is doing?

Mr. Wood: Yes. I would say two things. First, after Mr. Lee's comment, I think that we have great, open communication with County government at this point in time. Out of these five committees, we have either a representative from County government or a representative that the County Executive wanted to participate in these five areas. So, it's great. The communication is open. I have been meeting periodically with the County Executive one-on-one as well to review these things and others.

Are we satisfied with Ridge Policy Group's progress? I would say based upon the information, yes. You are seeing a small portion of it here in this report; a lot of it is conversations. I'll give you one example which is Blue Zones; they were able to reach out and they know the important relations people at the various healthcare institutions and they were able to help move that conversation along. The way Mr. Lee alluded to, this is going to be a long-term relationship, collaboration, and trust-building process not dissimilar to what happened with Ignite Erie. It took a significant amount of time for those universities to come together, mobilize, and figure out how to reach consensus in moving forward together.

Mr. Peters: One last question since Kathy (Wyrosdick) is here. I know you were participating and the City – we were going to try to keep them included in what we are doing with RPG. Are we still doing that?

Ms. Wyrosdick: Most recently, our meetings with Youth Build and GECAC, Ridge Policy was not a part of that meeting but it came out of those discussions with Ridge Policy. Now that I am here, I would maybe like to have a side conversation about our efforts with transportation and with Ridge Policy. One of our biggest obstacles in moving forward with the Bayfront and the State Street projects – the LIDS as some of you may recall, or even the Light Ways projects – as some may understand, is our relationship with CSX Railroad. We really need them to be at the table in a big way with abandoning right-of-way or giving us permission to do some installations on the bridges. That has become, of recent, our biggest obstacle. If Ridge Policy Group could help us get with CSX moving forward. There is an incidence where we could use all guns blazing on that issue for a number of reasons.

Mr. Peters: Those are both great projects and if Ridge can help CSX is very difficult. I live in Harborcreek Township and when we did the tracks, the underpass, it was a nightmare to get approval.

Ms. Wyrosdick: The LID project alone would require abandonment of that railroad and until that happens, there will be no movement on what is one of our highest regional priorities.

Mr. Wood: Kathy, one was the LIDS project. What was the other?

Ms. Wyrosdick: The Light Ways, the lighting of the railroad bridges in downtown, which you may have heard of. It might be a little more complicated than asking for abandonment but it's a new ask for the City so we do need all guns fired on that one.

Mr. Peters: Former Councilman David Brennen showed me the architectural renderings for that Light Ways project, so it would be very easy for Ridge to help get the CSX government relations folks copies and show that this is a really interesting project that would help us all; it helps them as well because it beautifies their property.

Thank you, everyone, for sharing because I think it's important – we all heard County Council and the County Executive share that they had significant concerns – and I appreciate what I just heard, that RPG is doing what they are supposed to be doing. Thanks.

Mr. Wood: Just to summarize, in the Executive Director's Report which is pretty thick this month, you're going to find the agenda and notes from our Strategic Planning Committee meeting, the summaries for Anchor Building, as well as the summaries for Municipal Collaboration. You'll see the Blue Highway MRI, which is something I'll discuss here in a minute, you'll see the Pilot Project Letter of Intent and budget in there, as well as the Ridge Policy Group update for your review.

Finally, let's talk about what is next. MRI's are due June 29th; we're expecting to receive four MRI's at this point, although more may come in that we are not aware of. We have received one from Blue Highway Capital, which I think we need to see a presentation from. We are expecting to see one from Bridgeway Capital to continue the work that they have done with minority entrepreneurship in the City of Erie. We're expecting to see one from Ben Franklin Technology Partners for moving the Erie Innovation Fund forward and also adding an accelerator concept which they have in other parts of the State and we would like to see them bring it here for tech companies. Finally, I had a fantastic conversation with the International Institute of Erie on their micro-loan program, so this would be a Pilot Project for micro-loans for immigrant-based companies. I read about it in the Erie Reader and called

them out of the blue and found out that they are in need of funding; right now, their sole source is their parent organization in Washington D.C.

Those are in progress. We will need to hold a meeting the first week of July, sometime after the 4th, to see presentations from these folks; that's the way I would like to handle it. We'll be coordinating with the Board to see when availability is.

Also in development phase and I'm looking to get a thumbs up or thumbs down from you guys on this is school-based STEM funding. It's a concept that we have talked about for months now. Also, Beehive funding, which would be the next iteration of the Industry+University relationships that are going through Ignite Erie.

Let's start with school-based STEM funding. Does anyone have any comments or reactions to that concept? It's kind of an outgrowth of our School District Foundation Challenge concept.

Mr. Lee: Is this expanding on what we were doing with Fairview?

Mr. Wood: We did a Pilot Project with Fairview STEM Academy and we saw tremendous results from that. Yes, this would be (based upon what we learned from that group), we would be developing a set of guidelines for all of Erie County.

Mr. Lee: Ok. Great. I like it. I think it's great.

Mr. Barney: Did Fairview ever share their information and try to take it to other counties, as far as partnering or expanding?

Mr. Wood: That's a good question. They did come in and give a close-out report to us on how they proceeded but I have not followed up on that; I will do that.

The next is Beehive funding. In July, I'm going to come in with a mid-term report completed on Ignite Erie; they have just drawn down their third tranche of funding from us. We have interviewed all of the universities involved and their partners; we have looked at their outcomes. If you really think about this, it is a long-term, complex concept – what we call an adaptive network – tremendous results have come mostly out of two key programs. One is Quick Starter, which is a program that moved from Mercyhurst to the Ignite Erie Collaborative. It is now at the Black Family Foundation, and that announcement takes place next week. The second program was Innovation Commons, which was a Pilot Program for prototyping and that is where the Beehive concept has developed. All of the partners have basically come up with the unique Beehive concept which accentuates the strength of each university. What we would like to do is put guidelines together to move those Beehives forward. Is there any discussion on that?

Mr. Peters: It's the universities, plus the library is still participating as well?

Mr. Wood: We have some criteria as to what a Beehive concept is and open accessibility to the public is a key part to that. The Idea Lab at the library has really benefited from the coaching of the Ignite Erie Collaborative, the selection of equipment, what is provided, what the curriculum will look like; a lot of these things came out of collaboration with Ignite Erie.

Mr. Peters: Do you anticipate that the funding would run through Ignite Erie and be distributed to the four Beehives?

Mr. Wood: There are four participating universities and then the Idea Lab. No, we are anticipating that the funding would be directly from ECGRA to each participating entity rather than running through the Ignite collaborative. The initial idea of the Ignite collaborative was a \$750,000 capacity loan-grant to the universities to put together entrepreneurial support

services. That has taken place and is in full motion; this would be an outgrowth of that concept. So, no, not as a collaborative but rather as individual contracts.

Mr. Peters: Are you thinking initially that it's competitive?

Mr. Wood: It's got to be competitive because we'll have to see what concepts they have come up with. This is really in its development phase right now. While competitive, this is part of a system. That's the other way to think of it.

Mr. Lee: What dollar amount are you looking to establish with this?

Mr. Wood: That's a great question. I'll bring all of those details to the next Committee meeting, in which I hope to do a couple things:

1. Have the MRI's come in and present to you
2. Review the guidelines of STEM
3. Review the guidelines for the Beehive concept

Mr. Lee: Thank you.

Mr. Barney: Basically, from the pool of money that was established as far as the total, they would all be reaching for a portion of that.

Mr. Wood: Yes.

Mr. Peters: When are these meetings going to take place?

Mr. Wood: Sometime after the 4th of July; this will give us time to coordinate with your schedules as well as the folks going for MRIs. That's all I have. Thank you very much.

SOLICITOR'S REPORT

Mr. Wachter: I have nothing to report at this time.

OLD BUSINESS

- a. Quotes for Quarterly Financial Reviews

Mr. Peters: I shared that update during the Treasurer's Report. I would appreciate the Authority members considering taking action in the affirmative on engaging MaherDuessel for three additional reviews of our financials – one per quarter and the annual audit.

Mr. Sample makes a motion to approve using MaherDuessel to do quarterly reviews. Mr. Barney seconds the motion. Motion carries 4-0.

NEW BUSINESS

- a. Resolution Number 14, 2018 – Resolution to enter into agreements with five (5) entities that comprise the recipients of the 2018 Anchor Building Program

Mr. Wood reads the Resolution.

Mr. Paris: Is there any discussion?

Mr. Sample makes a motion to approve Resolution 14. Mr. Barney seconds the motion. Motion carries 4-0.

- b. Resolution Number 15, 2018 – Resolution to enter into agreements with eight (8) entities that comprise the recipients of the 2018 Multi-Municipal Collaboration grants.

Mr. Wood reads the Resolution.

Mr. Peters: I would make a motion that we move forward and I would also add that it was exciting to see some creative – we saw some of the same old, with the Recycling – but we also saw some interesting things, like North East. Very excited. I will make that motion with gusto.

Mr. Wachter: Mr. Peters, just to ensure that your motion to move forward is the same as a motion to approve?

Mr. Peters: Yes.

Mr. Paris: Is there any discussion?

Mr. Sample: I just have to make the announcement that I am on the Board of one of the applicants, Corry Industrial Benefit Association, so I have to recuse myself.

Mr. Wachter: If I may note for the record that Mr. Sample has provided a conflict memo, which reads,

“On this date, The Board of Directors of the Erie County Gaming Revenue Authority was presented with Resolution No. 15, 2018, entitled “*Resolution to enter into agreements with eight (8) entities that comprise the recipients of the 2018 Multi-Municipal Collaboration Grants.*” The Resolution recommends certain awards to the Corry Industrial Benefit Association, of which I am a board member. I announced my conflict at the meeting, and abstained from any deliberation or vote on this particular matter due to my conflict. I ask that this be made part of the minutes of the June 21, 2018 meeting of the ECGRA Board of Directors.”

That has been presented to the Secretary, who is Mr. Sample, and it will be made a part of the minutes of the meeting.

Mr. Barney: Even though Mr. Sample can't vote, we still have a quorum, right?

Mr. Wachter: Mr. Sample's abstention does not in any way affect your quorum. You can move forward.

Mr. Barney seconds the motion. Motion carries 3-0-1, with Mr. Sample abstaining.

- c. Resolution Number 16, 2018 - Resolution to adopt pilot project funding for the Bayfront Neighborhood NCCC Pilot Project.

Mr. Wood reads the Resolution.

Mr. Paris: Is there any discussion?

Mr. Sample makes a motion to adopt Resolution 16. Mr. Barney seconds the motion. Motion carries 4-0.

- d. Resolution Number 17, 2018 – Resolution to adopt the 2018 ECGRA Regional Assets Guidelines for Community Assets, now comprised of three categories: 1) Arts, Culture & Heritage; 2) Parks, Fields & Trails; and 3) Community Centers.

Mr. Wood reads the resolution.

Mr. Paris: Is there any discussion?

Mr. Barney makes a motion to approve Resolution 17. Mr. Sample seconds the motion. Motion carries 4-0.

- e. Resolution Number 18, 2018 – Resolution to enter into agreement with three (3) entities that comprise the recipients of the 2018 Renaissance Block Program – Round 2.

Mr. Wood reads the resolution.

Mr. Paris: Is there any discussion?

Mr. Sample makes a motion to approve Resolution 18. Mr. Barney seconds the motion. Motion carries 4-0.

ANNOUNCEMENTS

There are no announcements at this time.

ADJOURNMENT

Mr. Sample moves to adjourn.