



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

May 16, 2019

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on May 16, 2019 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. Bagnoni (via zoom), Mr. Barney, Mr. Cleaver, Mr. DiPaolo, Mr. Paris, Mr. Peters and Mr. Sample. Mr. Lee, Mr. Leone, Mr. Wachter and Dr. Wood are also present.

ELECTION OF OFFICERS

Mr. Paris: Today, at our reorganization meeting, we have the election of officers. If anybody would like to elect a slate or individuals, now is the time to do that.

Mr. Peters: I will go ahead and make motions individually for each office. As background, I think we had some nice conversation at the Strategic Planning meeting and I think most of us were at that meeting; I think Mr. DiPaolo wasn't able to make it. I think the consensus was that it probably makes sense to go ahead and, rather than do a slate, give everybody a chance to make their motions and vote each position up or down.

With that as background, the first thing I'd like to do is nominate Mr. Paris to continue as the Chair. My reasoning for doing that, by the way, is we typically have 2-year positions and Mr. Paris has not had a full two years as the Chair. So, I make the motion that we nominate Mr. Paris to continue as Chairman.

Mr. Sample: I'll second that.

Mr. Wachter: Are there other nominations for Chair? The next thing you call for is to close nominations if there are no other nominations.

Mr. Cleaver moves to close the nominations. Mr. Barney seconds the motion. Motion to close nominations carries 7-0.

Mr. Wachter: Mr. Bagnoni, just so that Mr. Paris isn't calling for the vote on his own election, would you ask for a vote on the nomination for Mr. Paris to be Chair?

Mr. Bagnoni: Can I have a vote on the nomination of Mr. Paris as Chair?

Motion to elect Mr. Paris to continue as the Chairman carries 7-0.

Mr. Peters: I would also go ahead and make a motion for Vice-Chair. Mr. Bagnoni is our current Vice-Chair and he has done an absolutely tremendous job and I would like to make the nomination of Mr. Bagnoni to remain as Vice-Chair.

Mr. Sample: I second that.

Mr. Paris: Are there any other nominations?

Mr. Cleaver moves to close the nominations. Mr. Barney seconds that motion. Motion to close nominations carries 7-0.

Mr. Paris: All those in favor of the Vice-Chair nomination -

Motion to elect Mr. Bagnoni to continue as the Vice-Chair carries 7-0.

Mr. Peters: I had the pleasure of serving as Treasurer for two years and it was a lovely experience. It takes a while to get up to speed on the finances. With that in mind, I would like to make a motion to nominate Mr. Barney to continue as the Treasurer.

Mr. Sample: I second that.

Mr. Paris: Are there any other nominations?

Mr. Cleaver moves to close the nominations. Mr. Sample seconds that motion. Motion to close nominations carries 7-0.

Mr. Paris: Now we will vote on the Treasurer's position. All those in favor?

Motion to elect Mr. Barney to continue as Treasurer carries 7-0.

Mr. Peters: Then I will continue with my streak and go ahead and nominate Mr. Sample to remain as the Secretary.

Mr. Barney: I second that.

Mr. Cleaver moves to close the nominations. Mr. Barney seconds that motion. Motion to close nominations carries 7-0.

Mr. Paris: Voting on the position of Secretary, all those in favor?

Motion to elect Mr. Sample to continue as Secretary carries 7-0.

Mr. Paris: That concludes the election of officers for the upcoming year.

APPROVAL OF THE AGENDA

Mr. Sample makes a motion to approve the agenda as presented. Mr. Barney seconds the motion. There is no discussion of the agenda. Motion carries 7-0.

APPROVAL OF MINUTES – March 2019

Mr. Cleaver makes a motion to approve the minutes as presented. Mr. Barney seconds the motion. There is no discussion of the minutes. Motion carries 7-0.

DIRECTOR'S COMMENTS

There are no comments at this time.

COMMENTS BY THE CHAIR

Mr. Paris: I would just like to say thank you for voting me back as your Chairman and I look forward to another good year. Thank you.

PUBLIC COMMENT

There is no public comment.

PRESENTATIONS

There are no presentations.

COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Barney: I've got two months' worth of Treasurer's reports since last month we did not meet. March there was not a whole lot of activity. If you look at the Profit & Loss you will see that we did have some interest from Savings as well as Bridgeway Capital. That was income coming in. Like I said, March was not a whole lot of activity and when I go to the Budget vs. Actual, under Government Relations, we went over our projected budget by \$7,739 which will be addressed. Going down further, under Copier Lease, you'll see \$345 and under Copier Printing you see \$0 – that's because we're changing over. March is the last month of the fiscal year and we will be changing over to where the printing isn't going to show up; it's all going to be under Copier Lease.

Hopefully everyone has had the opportunity to look this over. I'm going over March fairly quickly; if there's anything that jumps out at you and you want to speak on it, feel free to do so. Everything was basic; the credit card expenses and things of that nature showed nothing out of the ordinary. That's March. Any questions pertaining to the month of March?

I would like to move on to the month of April, which is a little bit more activity to speak on. Profit & Loss shows nothing out of the ordinary for our interest; Savings was the only thing. I would like to bring it to your attention as we go farther down and we look at other income expenses, Mission Main Street for \$97,500, that's the first of three payments and

going farther down, Renaissance block for \$20,000, that's the second of three payments to the Borough of Union City.

The Balance Sheet shows nothing out of the ordinary. Statement of Cash flows – are there any questions? Moving on to Budget vs. Actual, under the Government Relations it shows \$0 because we did a double payment in March and this shows the beginning of the new fiscal year.

Dr. Wood: That's what put us so far over budget.

Mr. Barney: So, that double payment in March makes the Government Relations payment \$0.

Mr. Lee: I have a question in reference to the double payment. What was the reason for that?

Dr. Wood: It just has to do with when the invoice came in. Since we do cash accounting, based upon the month it was paid out versus the month that the services were provided, it's going to show up as a double payment in March rather than a single payment, even though it's really for two separate months.

Mr. Lee: Thank you.

Mr. Barney: You'll see the rent is the same situation there; it's \$0 but it was a double payment in March. Meeting Expenses was the Strategic Planning session and Advertisement is the Times News. Schedule of Grant Reserves shows nothing out of the ordinary, but I would like to say on the third page where you see Committed, it's Round 1 and 2. Where you see that line there, that shows where the people were considered for the first round and then the second round came up.

The Check Detail shows nothing out of the ordinary. The Visa's show nothing out of the ordinary. Perry's is there and Tammi's – unless you see a question on those, these are basic charges.

Mr. DiPaolo: In regards to the Ridge Policy Group, March 6 you paid \$4,245.40 and then March 29 you paid \$4,772 – why did you pay twice in one month?

Dr. Wood: Tammi is not here to answer that question, but it basically has to do with when the invoices come in and if we process them the same time that they come in, then they go on that monthly balance sheet for that month because it is cash accounting rather than for the month in which the services were provided. So, you're going to see two payments in March but you're going to see zero in April.

Mr. DiPaolo: And because of the fact that I brought that up, have they returned anything to us yet, any money?

Dr. Wood: If you look at the Executive Director's Report, there's a summary of Ridge Policy Group's activities that is placed in that report every month that you can go to and reference. We have a running total of \$1,769,995 in grant funds that have been attributed to the assistance of Ridge Policy Group.

Mr. DiPaolo: Ok. You missed the question. How much have they brought back to us? That's what I'm asking. I understand what you're saying but I think we talked about it many, many

times that there's got to be a return on what they're doing and the return, in addition to try to help us out with grants, they were going to return something to us.

Dr. Wood: If I understand, you're asking how much funding have they brought to ECGRA?

Mr. DiPaolo: Yes. Exactly.

Dr. Wood: That's really not the goal of Ridge Policy Group. The goal of Ridge Policy Group is to make sure that Erie County access as many grants as possible at the State and Federal level.

Mr. DiPaolo: Ok. Very good.

Dr. Wood: The Director's Report I was referring to is on your SharePoint site; we did not print it out for you.

Mr. Barney: If there are no other questions on the reports for March and April, that concludes the Treasurer's Report.

Mr. Cleaver makes a motion to accept the Treasurer's Report. Mr. Sample seconds the motion. There is no further discussion. Motion carries 7-0.

Mr. Barney: At this time also, I'd like to address the Draft Budget that is before you. I would like to say that after several revisits that it is fair and that overall it's like a 3% increase in the total actual budget. If there are any questions, I will address them now, but I'd like to put this before you for a vote.

Mr. Cleaver: Mr. Chairman, I recall when we first presented a budget, again being new, it was at a 6% figure, is that still?

Mr. Barney: No, it's down to 3%.

Mr. Cleaver: Per employee?

Mr. Barney: Per employee, yes.

Mr. Cleaver: One other question that was brought up at the last budget session, for the employees, we pay because they are covered through their spouse for whatever hospitalization, we reimburse that employee based upon the cost, am I right in saying that? Has that increased? Is there an increase projected for us based on that?

Mr. Barney: The formula is the same. Basically, the formula or the addition for them being covered under their spouse or other individual . . .

Mr. Cleaver: So, if there's an increase by the health carrier, we don't absorb that? The employee does? In other words, there is a set amount for the employee and the insurance carrier raises it to \$1,200, we still stay at \$1,000?

Dr. Wood: We never really thought about that; we never considered an increase in that. We could.

Mr. Barney: There is just a set figure that we're reimbursing them. I can see what you're saying though.

Mr. Cleaver: If it goes up, do we continue matching or . . .

Mr. Barney: I think that's something we should put in front of the Board . . .

Mr. Peters: In the past, we've set a number as an offset to us not being in a position to provide health care benefits; we created that offset number and it's just stayed static. It's not gone up. You're right, if Perry is on his spouse's healthcare at the school district, and her cost went up therefore his cost went up, we have not adjusted for that.

Mr. Cleaver: Ok.

Mr. Sample: Is that impacted by the 3% increase?

Dr. Wood: The 3% increase only affects the salary and also the retirement because that is a matching 3% figure.

Mr. DiPaolo: In regards to the 3%, do we have the total amounts for each person?

Mr. Barney: Yes, I do. Would you like to know?

Mr. DiPaolo: Please.

Mr. Barney: Tammi – it went from \$32,136 to \$33,100. Tom – it went from \$42,436 to \$43,709. Perry – it went from \$94,274 to \$97,102.

Mr. DiPaolo: Does that include the insurance money or not?

Mr. Barney: No.

Mr. DiPaolo: Do you know what the insurance money is on each one?

Mr. Barney: As far as the reimbursement to their spouse?

Mr. DiPaolo: Yes.

Mr. Barney: No, I don't know the particulars.

Mr. DiPaolo: Could we get that for the next meeting?

Mr. Barney: I'm sure we could.

Mr. DiPaolo: Very good. Thank you.

Mr. Barney: Are there any other questions at this time? If not, I conclude.

Mr. Paris: Thank you, Dale.

- b. Strategic Planning Committee: Mr. Lee: Thank you, Mr. Chairman. An application was submitted for consideration to the ECGRA Board for the Blue Zones project. The purpose of the Blue Zone project is to lead a community's well-being transformation initiative for the healthy choice to become the easy choice through permanent changes in environment, policies, and social network. Key results: improved health and well-being with lowered associated health costs, improved economic and social vitality, increased public awareness about health and well-being.

This is an initiative that is being led by Erie County, in particular the Department of Health. We have targeted Corry in the County. Let me begin by saying that it is an unprecedeted collaboration with UPMC Hamot, with Allegheny Health/Saint Vincent, and the Corry Memorial Hospital LECOM. Each have invested \$1 million over a 3-year period, so they have invested \$3 million with a total cost of \$3.5 million. \$500,000 is remaining and the County Executive is leading the charge and going around to request and see if there is interest from other entities and organizations. We have business, Erie Insurance, Gannon University, and there are other entities that we have been talking with; ECGRA was approached to consider investing, over two years \$100,000; \$50,000 per year – which would mean we still have \$400,000 if ECGRA agrees to invest in the project.

Let me go over some of the key things and I want to be really clear and concise because of the time. One of the things we like about the Blue Zone's project is that it has performance measures and it has outcomes. The outcomes are very important because they are driven by the community; they take a look at 1) tobacco use, which is really big in our region, 2) it takes a look at the environment; environmental needs – the landscape as far as bike paths, walkways, and 3) it takes a look at actually being proactive in developing a lifestyle change. The community is engaged to come out and really participate and decide what key drivers they want to commit their time into improving in the region.

If you saw the Sunday paper, there was a very nice article in the local section stating where we are. We have submitted the blue print down to the headquarters for Blue Zones; they are reviewing that. They should have feedback within the next few weeks as far as approving or providing feedback on that. From there, the community will work strategically to implement that blue print. I think it's worth saying that Corry is the 47th Blue Zone community in the world – not in our county, but in the world – so, Corry is a leader. And we're proud of it because many times when the County Executive and myself are out visiting various municipalities in the county, many times the outer municipalities feel left out, and they feel that everything is really designated for the city of Erie. This is one example where Corry is the leader and it is outside of the city of Erie and it is very important because it is part of the County.

The \$100,00 that they are requesting will be utilized for various operational costs, marketing, personnel, equipment expenses; this is part of the plan that they developed before they even got their project started as part of their budget. We feel it is a great project. Some key outcomes, and I will just name a couple, are increased downtown business occupancy, increased number of parks and community spaces. We see this as an opportunity to drive economic development by being proactive with a healthy lifestyle and the data that they will be measuring, at least they have measured in communities in the past, filled with absentee levels as it pertains to work. They have been able to measure that as far as there has been indicators that whether smoking – and we know that smoking affects in many, many ways –

depression – that has been an indicator from other communities; they're looking to drive that down which will help decrease absenteeism which will help productivity at different companies. So, that's where ties in from an economic standpoint.

In saying that, the committee is recommending to the full Board approval of the \$50,000 per year for two years, \$100,000. Are there any questions?

Dr. Wood: No question but just a quick comment to point out to the Board – we reviewed this in Strategic Planning and had great discussion around it. The recipient of the funds is a nonprofit called the Partnership for Healthy Communities, which is a collaboration of a consortium of health care providers. I would say Melissa Lyons, who wrote the grant, did an excellent job at doing so and answered about 95% of my questions in that process. Finally, I would say that this is some trail blazing here, and I think it's good trail blazing because it's the first time we've invested in health care as an economic development strategy. It's interesting that we're expanding our definition of economic development. Thank you, Mr. Lee.

Mr. Lee: Thank you, Mr. Wood, for allowing me the opportunity.

Mr. Paris: Thank you, Gary. I appreciate that. We also have the Multi-Municipal grants that we talked about and I'd like to have Dale talk about that.

Mr. Barney: As mentioned, the municipal collaboration proposal in which the project sponsor is the Erie Area Council of Governments and the name of it is Census 2020 Outreach Coordinator. The project summary, I would say, is the census is dealing with reduction. According to census predictions, some tracks in Erie County could see a 30% nonresponse rate, which in turn negatively affects Erie County because the State and Federal funding is determined based on population. Other information provided through the census process: the complete count committee will raise awareness and educate their neighbors, families, and friends on the importance of the census, the success of this committee depends on the outreach coordinator's ability to organize and coordinate its efforts. The budget will be \$100,000 to fund the position to perform marketing and coordination of volunteers and stakeholders for 14 months. All municipalities will be asked to assist in funding this effort. They are asking ECGRA for \$50,000 and are looking to match it with \$50,000. It should be noted that the match money has not been secured yet but they are approaching other local governments in Erie County because of the importance of getting the count right and how it will affect funding coming in. The need in the event of an undercount, funding may be lost or reduced. They did not qualify or quantify the amount or describe which funding which may be reduced but we just know that it will decrease as the numbers on the census reflect. The Strategic Committee, we know the importance of getting the count as close to 100% as possible and we recommend supporting the Multi-Municipal Collaboration project, which is application Census 2020 Outreach Coordinator.

The other application I have in front of me is from the Jefferson Educational Society, Jefferson Alliance for Community Progress. The Jefferson Alliance for Community Progress is a program the Jefferson runs where they invite different citizens in the community in various leadership positions or potential leadership individuals in Erie County to participate in. They are in their fifth year and it prepares 25-30 young professionals to make them more aware of what's going on in Erie County and encourage them to be active participants. It's a meaningful community engagement project that is a year-long program with meaningful research projects, they make trips to Harrisburg, meet different elected officials, just find the inner-workings of how things are functioning here in Erie. And elsewhere. Topics of local importance is a major

project; I would like to also say that in that program does some other things like two to three Jefferson essays they put on will be published on relevant topics in Erie County and distributed to all elected officials. They have speakers come in and three Jefferson dinners will be held to discuss local government issues along with a prominent speaker that comes in. All elected officials in Erie County are invited and encouraged to attend. There is also the Raimey Fellowship supporting emerging leaders and leadership theory.

Their request is \$100,000; their match, they have \$232,300 available and their match has been secured. The program fosters discussion among elected officials from all corners of Erie County by bringing in speakers for programs relevant to decision makers. There are no programs in Erie County with such a focus. Additionally, with the demise of Leadership Erie, there are no other civic leaderships or training opportunities available. The Leadership Academy draws participants from all demographics and parts of Erie County. The research completed through the essay process is not currently available through current city or county departments or personnel.

The Strategic Committee recommends that we assist in this project and their request is \$100,000 and it is matched.

Mr. Paris: Thanks for that, Dale. Next, we have the Mission Main Street. Whitey, were going to present on that?

Mr. Cleaver: I guess so. Basically, it's a neighborhood revitalization; it's the Sisters of St. Joseph Neighborhood. I believe the committee, after much discussion, decided their request of \$250,000 for a three-year program; the matching summary is \$197,500 through tax credit programs, building owner cash contributions, and the remaining funds are whatever they can run across. It looks to me as I read that it will be on upper Parade Street. Again, revitalize the neighborhood. The committee did recommend their request of \$250,000 for a three-year program.

The West Bayfront, the Board reviewed Our West Bayfront, project name Re-Store West 8th. Again, there was a lot of discussion and there's a lot of work involved in this because there's traffic flow changes, tax credit programs. I think there's a lot of good here but I think there's a lot of things that have to be resolved. After much discussion, the Board decided that their request was \$250,000; I guess I'm confused because it says the match is \$298,913. Do you want to . . .

Dr. Wood: They have more match available than they needed to and they put it down there to let us know.

Mr. Cleaver: Ok. So, I know the Board, after a lot of discussion because like I said there are a lot of pros and a lot of cons and a lot of work has to get done in this project; traffic flow – they have to deal with the police, fire, and again . . . The Committee felt it was worthwhile, so it was approved.

Erie County Main Street Historic Preservation with Preservation Erie – there was much discussion. This is with Albion, Lawrence Park and others to be determined and is for historic preservation. Their request was \$179,550; the match is \$180,500. Storefront renovations, removal in the Albion and Lawrence Park area experience managing successful façade programs in Girard, Union City, and Waterford. Again, there was a lot of discussion amongst the committee and we felt it was a very worthwhile program. The total façade program is going to be in the neighborhood of \$210,000 and the committee recommended \$150,000.

- c. Update from County Council: Mr. Leone: I don't really have too much. There are just a couple issues to look at. I note that in your financial report that Fiore Leone you have as a liaison and Dr. Foust as the Chairman; there is no liaison to this particular county, only the Chairman of Council can designate someone else. Only the Chairman of Council is the official non-voting member of this particular Board. And last year, certainly I was not the liaison; Dr. Foust was the Chairman.

A couple other issues; first of all, your by-laws. I haven't had a chance to read the changes that you may have made so before I make comments on it, I would refer to our Solicitor to review it to determine exactly if it's right or wrong or what the situation would be. That would be up to him to make a decision on that.

I did receive, and I don't know, I got an anonymous call. The reason I got the call was information that has to do with the ECGRA Board. Someone indicated that the Ethics Commission may get involved. I don't know, but like I said I just got a call and that was it. I don't know who it was or what it was. We did have only one person come and comment about ECGRA at the Council meeting and that was Mr. Barnes and he's been there quite a bit and is quite adamant about what he feels is right and what he feels is wrong. Like I said, I'll call the Ethics Commission today; they won't give me any information anyway. I remember when I called them last time there was a problem and they just won't give me any information. But I will try to find out more information about what it's about. I would hope that everybody here has clean skirts because if that's the situation, you better make sure your skirts are clean.

I have no other report.

Mr. Paris: Thanks, Fiore.

- d. Update from County Executive's Office: Mr. Lee: Thank you, Mr. Chairman. What I will be speaking on here is the Summer Jobs Program and giving you an update. The Summer Jobs Program, as we like to call it the Summer JAM, from 2014 Erie County government has belayed this particular initiative and it's a great partnership with the Erie County Gaming Revenue Authority and with the Erie Community Foundation and we have expanded it to employers that participate as well as far as from an investment standpoint; we have Erie Insurance, Gannon University, Highmark, National Fuel. They have participated in the past as far as from an investment standpoint.

We're going into our sixth year; we're thrilled with the outcomes to date. What are the outcomes to date? Over the last five years, we have invested over \$1.6 million and we have seen 780 students complete the program; 80% of the students are currently in high school. By the way, the age of the students is from 16 to 21, you have to be an Erie County resident, and there is an income requirement that you have to stay within. Just to comment very briefly on the income requirements, what we have seen is that we're a little flexible on that and the reason for that is we really want individuals, even if your income may be considered middle-class income level, we still want to see students participate and gain the full experience of workforce development and we have the opportunity to do just that.

The numbers as far as for completion last year, we've seen 183 students complete the program, a 94% completion rate, which is literally outstanding. Over the history of the program it's probably at about 92%. We have the right formula and we look to continue this great initiative moving on.

What are we doing a little bit differently this year? This year is an opportunity to focus more on quality; making sure the matching is done correctly from students to the employer. We feel that is very big. Providing more interviewing and we look to expand the social service program – meaning we give them an activity. We've been working very closely with ServErie;

we feel that is very important for the students to give back to the community. We receive a report each year prepared by Keystone Research Group so, we look at performance measures and we take that data and we try to improve it. Again, the big push is not for quantity but for quality. We feel that 175 is the max at this time to do a good, quality program.

There will be about 50-55 employers participating this year. We're excited to state that the City of Erie will be participating for the first year as far as from an investment standpoint and actually having students come over. We met with Mayor Schember last year; it was a very productive meeting. He and his team asked some great questions and then they asked for a report, so we forwarded the latest report that we had and I got an email from Mayor Schember before the close of that same business day saying, "We're in for \$20,000." It was remarkable and we're very pleased with that partnership.

It's very interesting and I think that I should note this, due to the economy doing so well; in Erie County we're currently at 3.8% unemployment - the lowest we've been in nearly 34 years - and nationally 3.6% and statewide at 4%. These are unprecedented numbers; the best in modern times. Because of it, what we're seeing is that students are getting jobs other places, which is good because it reflects the economy. What we're also seeing is that it's competitive. Because of that, someone had approached me last year and asked if we would ever consider paying a little more than minimum wage and I told them to get lost because this is a learning program and a development. However, I think that because the economy is doing so well and because it is so competitive, we won't do it this year but next year if everything is going well, we're going to have to look at the wages. We're not going to be paying anything like \$10 - \$14/hour or anything like that. We currently pay minimum wage which is \$7.25; we may have to consider what Waldameer does which is a two-tier program and they get like \$8.00 and so forth based on age and responsibility. That's something the Administration along with GECAC will be looking at in the future, but right now we're going to keep it at minimum wage.

I think it's very important that I say that I brought this update to County Council a couple of weeks ago and one of the questions that came up by a couple of the members was an action sheet was put forward last year by County Council to increase our budget. The amount from the County is \$150,000, we ask for matching from ECGRA of \$150,000, and the Erie Community Foundation for \$60,000. I am pleased to say that that budget has not changed in the last five years, and that is remarkable. Why hasn't it changed? Because the Administration has watched it closely and when we put together the RFP over four years ago, we made sure that the cost wasn't going to escalate. When you're running the same type of program, the administration costs shoot through the roof which typically happens when you're not monitoring a program very closely. The program has only increased a little less than 2% cost-wise each year and we've been able to keep our budget the same due to Erie Insurance and other people investing. There is no need from the Administration's perspective, to increase the budget.

Councilman Andre Horton and Councilman Carl Anderson have put in an action sheet increasing on the accounting side of the budget of \$50,000 for two things: 1 – to expand the program, which the details were not worked out with the Administration because we run the program, and 2 – to add on 15-year-olds. The feedback from GECAC from the standpoint of 15-year-olds is that the majority of employers are not open to 15-year-olds because they're too young for working papers and it's just something they do not want to take on. Sixteen, in most cases, is a stretch to be honest with you, but 15 they said, "Absolutely not." What we did find is that some organizations would be interested in it, so we would do a pilot program of approximately ten students if we could identify a maturity level and students who are ready for

it, we would do a pilot program with ten students to be placed with the organizations that were open to it. That's what we're going to do.

Let me say this, it will not increase the total number of 175; it will be a part of that 175. So, we'll have potentially ten students at 15-years-old working the program this year. I shared this down at the Council meeting, the Administration did not request the \$50,000 increase, there was no communication before putting that \$50,000 in. We will not spend that money this year; we will not exercise that because we don't need to. And if we don't need to, we're not going to utilize taxpayer's money when we don't have to.

I just wanted you to be aware that it's not going to be a big issue because the responsibility of operating the program falls with the Administration and we're going to continue to make sure that we meet the performance measures of the program based on feedback from the Keystone Report. Are there any questions?

Mr. Cleaver: How many dollars do they have to start the program? I see the \$150,000 from us and the County contribution. Who else?

Mr. Lee: The Erie Community Foundation; those are the three major organizations.

Mr. Cleaver: \$60,000, \$150,000, \$150,000?

Mr. Lee: It's \$150,000 from Erie County, \$150,000 from ECGRA, and \$60,000 from the Erie Community Foundation, which brings us to \$360,000. Erie Insurance pays for their own students. By the way, it costs \$2,200 for each student to go through the program and they take six students. They pay for that which is \$13,200. Gannon University, in the past, has given anywhere around \$5,000. The Highmark Healthcare has given \$5,000 to the program. The bottom line is our budget stays no more than about \$375,000 so with those additional contributions, we stay within our budget and usually have a few dollars left over which rolls over to the next year.

Mr. Cleaver: Thank you.

Mr. Sample: Gary, it's been my understanding and you said it wasn't asked for the \$50,000, but the 175-180 is about the number of students that can be handled efficiently, is that not true?

Mr. Lee: That is correct.

Mr. Sample: Because we had dreams of growing it to 250 but it didn't seem manageable.

Mr. Lee: That is correct, David, it is not manageable. At this point, those are the numbers where we feel that we can provide a quality experience for the students and make the best investment from the organizations and companies.

Mr. Paris: That was a lot of information. Thank you.

Mr. Lee: Thank you.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: Good morning everyone. We will go through the Director's Report here and when I'm done, let's answer any questions you might have about the Annual Report, which is in front of you and up for a vote today. For the annual summary, I wanted to talk to you about the revenue trend, the quarterly cash flow position and how that's changed, the cumulative figures that we have collected since inception in 2008, a reminder to the Board of the fifteen grant programs that we're currently administering, and then I want to go positive with some testimonials and quotes we've gotten in the last year that really highlight the progress we've made, a couple of annual report highlights, and then review the Strategic Planning Committee recommendations for the record.

So, the first thing I thought would be interesting to show you is the three-year trend. Now that we have the final numbers for 2018, we know that we're on track to receive about as much as we have for the last five or six years. But the three-year trend, minus the \$1 million for the land bank, puts us at \$4.4 million. Whereas we've been holding steady at \$5.4 million, we're now expected to hold steady at \$4.4 million. One of the things that we don't know is how the legalization and implementation of online interactive gaming will affect us. Since we know the legislation directs those funds to the local share, we don't know the answer yet as to how that will affect our revenue as Presque Isle Downs begins to implement online gaming.

Mr. Cleaver: Can I ask a question about that? When you say it doesn't affect us, it's going to be on the plus side?

Dr. Wood: If they implement it, then yes, it will be on the plus side.

Mr. Cleaver: Well, it has to increase the revenue to someone, whether it's the County or ECGRA.

Dr. Wood: Yes, our reading of the legislation is that it will increase local share.

Mr. Cleaver: Oh, okay.

Dr. Wood: On to quarterly cash flow, if you take a look at this trend chart, this is a reminder that the Commonwealth has begun to handle cash flow differently. Now that it has over ten years of data on cash flow, you'll see the old model was hockey-stick where we would receive small amounts and then there would be a true-up at the end of the year in order to get us to the minimum amount of revenue we're supposed to receive. The orange trend now shows that instead of a hockey stick, it's going to be more like a plateau. The reason the first quarter is going to be so low is that's when the majority of funds are taken out of the ECGRA share in order to go toward the land bank – so approximately \$700,000. In the second quarter, approximately \$300,000 will be taken out of the ECGRA share to go to the land bank, and in the third and fourth quarters, ECGRA will receive the full amount of local share. That's a change in cash flow that took place last year, and I just wanted to point that out as part of this annual review.

Cumulative figures – total direct investment in Erie County has now just surpassed \$57 million. This Board has directed over \$57 million in grants and loans to the Erie community; 1,050 grants and loans to be specific to 247 nonprofits, municipalities, and economic development projects. Once again, these are cumulative figures as of April 2019. Fifteen grant and loan programs made that possible. These are the fifteen: Anchor Building, Beehive Innovation Spaces, three types of Community Assets – the Arts, Culture, Heritage; the Parks, Fields, Trails; and the Community Centers – the Lead Assets, what we call on our report Local Government Development but what we commonly call the Settlement municipalities, Mission

Main Street, Multi-Municipal Collaboration, Pilot Projects, Renaissance Block, Shaping Tomorrow, Small Business Financing which we commonly refer to as MRIs or Mission-Related Investments, Special Events, and Summer Jobs. Those are the fifteen programs that your staff at ECGRA is overseeing at any given point in time.

On to the testimonials. Senator Laughlin was very gracious at the Anchor Building announcement at the Saint Mary's school in saying, "These strategic investments allow for the renewal of a marquee building, while supporting the communicates they "anchor" . . . I continue to be impressed with ECGRA's approach to investing our gaming dollars . . ." Thank you, Senator Laughlin. David Ignatius of the Washington Post, and I handed this article out to you, is referring to rust belt economies says, "Profits from a big gambling casino in Erie County are funneled partly to 'innovation spaces' at four local campuses . . . the right answer for Rust Belt towns where the old manufacturing base has disappeared." This was printed in the Washington Post and of course David Ignatius is at the institution of the Washington Post.

Mr. Lee: Do you have a date on when that was printed?

Dr. Wood: It's actually on the hard copy in front of you. It's a great compliment from a national figure.

That was nationally, but I'm going to bring it back local for a minute with appreciation for Municipal Collaboration that we provided to North East. Denise McCumber, the Vice President of the Borough Council said, "For years, local governments have strived independently from their neighboring communities. They've worked to build infrastructure and separate communities with invisible lines. Today we step toward blurring those dividing lines." A great mindset for a local elected official who is looking at (inaudible) the local community.

And finally, we have received many compliments from the Editorial Board at the Erie Times News, but here is one I am particularly proud of. "The Minority-owned Business Accelerator and the Erie Inclusive Fund are purposeful efforts to ensure all Erie Residents benefit from future economic improvements. ECGRA and Bridgeway deserve kudos for having the vision to pursue them."

There are a couple things I would like to point out in the Annual Report. Let's talk about the Impacting Neighborhoods & Communities program; this program has three grant programs but two of them are brand new. The Mission Main Street, while it's been around, is now on steroids because we went from a \$15,000 maximum to a \$250,000 maximum. Let's do some summarizing – there were five recipients of the first round of Anchor Building; you saw Sen. Laughlin's quote where he was referring to the Saint Mary's project which I believe is done at this point except some of the bathroom renovations need finished. Three of the five projects are completed and one of them has been stalled based upon the transfer of property to the nonprofit. We wanted to make sure that the nonprofit had ownership of the building before they received any funds. The fifth project is reconsidering the cost of the renovations, so we will probably be bringing those back to you for discussion purposes. A total of \$419,000 awarded for two-year grants and \$138,000 has been drawn down as of the last fiscal year.

Mission Main Street – there were four recipients in the last fiscal year and hopefully we'll approve more today. The amount awarded was \$760,000 and \$245,000 has been drawn down and those are all three-year grants. Renaissance Block – there were ten Renaissance Blocks grants awarded throughout Erie County for a total of \$485,000. Those are two-year programs and \$283,000 has been drawn down. Those are the programs we have under Neighborhoods & Communities.

Next, we're having a huge impact with our Small Business Financing. We always have but we had sort of a banner year and we went in some new directions. The first was the Beehives, that was what David Ignatius was referring to in his quote. There were five recipients that were awarded \$1 million; so far \$364,000 has been drawn down and these are three year draw down grants. One of the things I was really excited about with the Beehives was the addition of the Blasco Library Idea Lab into that system because it is less intimidating

when you have an entrepreneur to start off working in the public library rather than jumping right in with both feet onto a university campus.

Next was the last round of the Ignite Erie and University Collaboration grant. We know that the main recipient was Penn State Behrend along with Mercyhurst, but they expanded their collaboration to include Edinboro University and Gannon University. They were originally awarded \$750,000 in the original three-year grant and they drew down on their final \$250,000.

Shaping Tomorrow was a collaboration we did with the Erie Community Foundation several years ago. I'm happy to say that the \$400,000 award to the Innovation District, the final draw down was made for \$295,000. That was a four-year grant that was made, and we keep seeing the positive things that are coming out of that Innovation District project, especially the Secure Erie Accelerator which is the crown jewel of that project.

Finally, Small Business Financing – the Board approved the four Mission-Related Investments for a total of \$4,550,000, all of them have been drawn down for the full amount, and all of those are on average ten-year notes. I just wanted to point those highlights out to you.

Of course, Strategic Planning met on May 1st. We had three different funding recommendations and our Board members here today covered those recommendations, so I don't want to repeat them. It is in my report for records. You will see those come to fruition under the resolutions at the end of the meeting when they will be read into record and hopefully voted on today. Does anyone have any questions for me?

Are there any questions on the Annual Report? We have no plans to print this Annual Report; it is going to be an electronic document. We plan on emailing it to the folks that we need to email it to for compliance purposes. We'll also be putting it out in an e-newsletter so the public can see it and of course it will also be available in the Annual Report section on our website.

Mr. Lee: Perry, so the \$57 million invested in Erie County since February 2008 is definitely remarkable. Do we have the breakdown as far as how much is grants and how much are loans?

Dr. Wood: I don't know if we do in this Annual Report, but you can definitely see those in the cumulative statements, especially the March 2019 Profit & Loss Statement would break that down. Then you would see our loans under the Notes Receivable category.

Mr. Lee: Thank you.

Dr. Wood: Thank you for your time.

Mr. Paris: Thank you, Perry.

SOLICITOR'S REPORT

Mr. Wachter: For one reason or another I had the opportunity to have a conversation with the Pennsylvania Social Security Administrator who is the individual hired by the Commonwealth of Pennsylvania to perform that function. During that conversation, it became aware that there has been no real social security compliance efforts done on the state level since the late '60s. What this is with respect to is when the social security originally put it in place, it was put into place for those individuals who did not already have a government pension available to them. That didn't go over real well and those who had government pensions wanted social security as well and so they made these allowances as what is known as a Section 218 Agreement which would allow for local and state government employees to have access to social security.

According to the Federal Social Security Act, you have to have one of these agreements in place with the State Social Security Administrator in order for employees to be legally eligible for social security.

There was a round of agreements that were entered into in the '50s, there was a second round of agreements that were entered into or revised in the '60s and nothing has been done since then. I asked her what we needed to do to review our clients to make sure that our clients are in good shape and she informed us what to do and so we have started the process. What we have found is that there are many Authorities that we have found in our client base that have not had Section 218 Agreements and there are school districts that have police forces and there are other entities as well.

We have emailed the Social Security Administrator and have come to realize that there has not been a Section 218 Agreement in place for the Gaming Authority. What that means is that technically, should we have an employee retire, they should not be eligible for social security, we should not be allowed to be submitting social security payments to the Feds. We're going to get that fixed for you as well as a lot of other local governments that seem to be in the same position.

From the County, I would just give you a word of caution, if we were to touch base after I can give you the contact information for Ms. Kristen Gardner if you were to email her to ask to review a copy of the social security 218 Agreement for all Erie County employees, she would send it over to you and you could review it to see if in fact it is encompassing all of your employees as well. The way it was done in the '50s and '60s excluded certain categories of things. You just need to make sure that you're okay.

Mr. Lee: I appreciate that.

Mr. Wachter: We can do that off base. We're looking at that to make sure the Gaming Authority is covered.

Dr. Wood: So, will you be bringing back to this Board approval for Section 218 Agreement?

Mr. Wachter: Eventually. We're working through the general counsel's office at the Social Security Administration to document the employees that already had social security withheld and that are in the system to make sure that they are going to be covered going forward.

Dr. Wood: Great. Thank you.

OLD BUSINESS

- a. By Laws: Mr. Wachter: I did submit at the Strategic Planning meeting, I think we had a very productive discussion regarding the by-laws. There was but for one provision, everything else in here is more of a clean-up issue. As I noted in the committee, the majority of the red lines you see throughout Article 5 and some of the others are due to the fact that the by-laws you had seemed to be taken from a business template as opposed to a government template and so we put it back in the realm of government and made it compliant with the Pennsylvania Tort Claims Act Indemnity Provisions and just did some clean-ups for things that have changed over the years.

The only provision that there was any substantive discussion was with respect to Section 4.02.1 on page 5 regarding the nomination of officers. Not knowing where this Board wanted to be with the allowance to nominate a slate versus nominate individuals, I

tried to split the baby and provide an option for both options so that it would be a discussion point. That still is an open item for you to discuss and let me know which way you want the language to go. This is not a voting item for today; this is just a reminder of this is an open item and if you wanted to continue to have discussion, now would be the time to do it.

Mr. Bagnoni: I have something on the by-laws, Tim, that you brought up at the last meeting. Here's my issue with it. Chuck Peters, you add to the Board and you bring some great qualities to the Board, some things that I don't have, and a lot of expertise. County Council made a resolution that we have a Board and nobody can sit on our Board for more than two years. Mr. Peters' term expired at the end of December yet we're allowing him to sit on the Board and vote on the Board when this is County Council's duty to nominate somebody and tell us when they're going to sit on this Board. I don't feel that Mr. Peters should have a right to vote on this Board since his term expired in December. We have two County Council, one ex-County Council person and a County Council person here that passed this resolution and made it a two-year term for each Board member. So, when you have two terms in, you're done. And now we want to put something into our by-laws that says that if there is nobody appointed, whoever was there before could sit and vote as long as there is nobody appointed to that seat. That was not the reason for a two-year term limit and there's no reason for us to allow someone to sit on the Board after their term expires. That is up to County Council. If that's what County Council wants, that's fine with me, but it needs to go back to County Council and not us. And it shouldn't be in our by-laws.

Mr. Wachter: I will just note that what I believe Mr. Bagnoni is speaking about is Section 2.03 where there is an addition. This is the number and term of office. The language in there does in fact track the County Council's code regarding the number of officers and the terms of office for those individuals. What was added was a line that says, "Members shall hold office until their successors have been appointed." That is in fact the way that the law works; that's nothing revolutionary on our part here in these by-laws. If you have an individual who is seated and their term expires, they stay in place until such time that the appointing authority replaces that person.

I can recognize your concern Mr. Bagnoni, but I will state to you that this is not drafted in any way that usurps the authority of County Council to appoint anyone. It's just a reflection of how the function of Board service works in Pennsylvania.

Mr. Bagnoni: I guess my question is, if there's nobody appointed, then he stays on forever?

Mr. Wachter: Until such point that he's either reappointed or replaced, yes.

Mr. Cleaver: I have a question, Counselor. Wouldn't it be the duty of the Chair or the Director to notify whether it's any of us to County Council to say, "Hey, so-and-so's appointment is up. Either make a move or move forward." I think that's the case. What Dave is saying is that you're supposed to serve two terms, which I guess is ten years I think. So, isn't it our responsibility to notify whoever appointed whomever we're talking about here to say, "Hey, his term is expired."

Dr. Wood: You and I had talked about this, remember? We talked about the fact that Mr. Peters is in his first term.

Mr. Cleaver: That doesn't bother me, but it doesn't sound like that to me. We talked about it. All I'm trying to find out is why don't we alert Council if that's the case. Have we? It seems like his term has expired; you're saying it hasn't. Fine. It is as it is. But if somebody's term does expire, I think it's our responsibility to notify the Chairman of Council and say, "Hey, we've got a . . . "

Dr. Wood: I'm not saying that. He is well aware of that.

Mr. Leone: First of all, the County Council has been involved in just such a situation. I agree with Whitey saying that this Board should at least send a letter to the Council person who will be making the appointment saying, "Hey, his term is up. Either put him on or take him off." I don't disagree with that. But as far as a member sitting on this Board, even if County Council has indicated that they sit on this Board until such time that they are replaced. Maybe there should be some changes there, I don't know. But that's the way the County Council is already set up. It is up to all the Authority's in the same situation, but County Council understands that. A lot of times, the Council member may forget to put somebody on. I do agree with Whitey that this Board should at least send a letter to the person that is making that particular appointment saying, "His appointment time is up; either put him on or take him off."

Mr. Wachter: If I just may point out that the language that is offered stating that members shall hold office until their successor has been appointed is exactly what Mr. Leone just indicated.

Mr. Paris: How do other Authority's do it though? I'm going to point out the Sewer Authority because I know there are members on there that have been on there for terms that . . .

Mr. Leone: I can't speak for the Sewer Authority and to tell you the truth I can't even speak for County Council because if a representative of Council insists on keeping someone on beyond the length of time that they're supposed to be on, I don't have any influence on that individual, saying, "Don't put him on." I can't do that and unless we have some kind of ordinance that states he has to make a change, then there isn't much I can do about it.

The city has had some people on for 20 years. Do I think it's right? Hey, that's up to them. Again, I don't make that decision.

Mr. Paris: That goes back to my question – have you been informed by other Authorities that their terms are up and how is that done?

Mr. Leone: Usually, the County Clerk, when somebody has an appointment, the County Clerk will tell you that he's been there from such-and-such a time to such-and-such a time and his two terms are up. Now, if that Council member still insists on putting that individual in to continue on that, I have no power to say, "No, you can't do that." I just don't have the authority to do that.

Dr. Wood: That sounds pretty definitive; it sounds as if the County Clerk has the responsibility.

Mr. Cleaver: I'll just speak for the Parking Authority as sort of an example. There were people on there since Sember got in, there were people on there that were not appointed, and the bottom line was serve until you're replaced. He just did that; there were five members and he eliminated two and put two new ones on. That was his prerogative because that's the Mayor's authority. That's not Council or appointees or anything, that's his five-man Authority. The previous Mayor, Sinnott, kept some of them on. They say it's a leverage at times, but it really isn't. You're serving for free.

Let's get back to your question; you just said we had a discussion. You just said his term isn't expired. I'd like to hear what . . .

Mr. Sample: His first term has expired but he has an opportunity for the second term.

Mr. Paris: He's only served one term.

Mr. Wachter: If I could address that, Mr. Cleaver. The way under the designation of terms works under the Case Law in Pennsylvania, if you have an individual, say that Mr. Paris is appointed to a term. Mr. Paris doesn't finish his term, he quits or leaves or whatever happens, and he's got two years left and then Mr. Barney is appointed to that position, Mr. Barney is finishing Mr. Paris's term.

Mr. Cleaver: I follow what you are saying; I understand that. And if that's the case, . . .

Mr. Wachter: I think that's the case with Mr. Peters.

Mr. Cleaver: Then that's the case.

Mr. Peters: When I was first appointed, I was appointed to fulfill Mr. Bruno's term.

Mr. Paris: Dom, you had something to say?

Mr. DiPaolo: Yeah, the two terms, I don't see it in here at all. Section 2.03 Number and Terms of Office; where does it say you can only have two terms?

Mr. Wachter: That's in the County Administrative Code.

Mr. DiPaolo: Okay, then we get down to Section 2.0.6 Vacancies, you added, "Whenever vacancy occurs, new members so appointed should fulfill the term of the prior member's unexpired term."

Mr. Wachter: That's exactly what we just stated.

Mr. DiPaolo: Okay, that's all I wanted to ask.

Mr. Paris: David Bagnoni, is there something you wanted to say?

Mr. Bagnoni: Listen, I have no problem with Mr. Peters. Like I said, I think he adds value to. I just wanted to know, when I'm done am I done? Or do I stay on?

Mr. Paris: You stay on until you're removed.

Mr. Wachter: Mr. Bagnoni, when your term expires you officially serve in that position until such time that you are notified that you are either reappointed or replaced.

Mr. Bagnoni: The bottom line for me is that this is County Council's decision to make, not ours. We just go along with the program. Whatever they decide, they decide. If they decide that there are no more term limits, that's fine with me. I could care less one way or the other. But they should be making a decision; they should be telling us what they want.

Mr. Paris: I just want to clarify from what I heard from what Mr. Leone said about the County Clerk being responsible for notifying, that's one thing I heard. It's also up to the individual County Council person to appoint who they want on each Authority. That's what I'm hearing.

Mr. Bagnoni: I just don't want us making rules that are not . . .

Mr. Paris: I don't think we are; we're just following what County Council does with everything else that they do.

Mr. Wachter: We're just making sure that our by-laws do in fact comply with the current practices and rules that County Council has in place. That's all. If there is no other discussion or concerns regarding language changes, then there is a notice procedure that we will have to fulfill prior to your building a vote on this. So, if you're okay with the by-laws, we've talked about them for years, we finally got them done, we've had meetings, they've been reviewed, if you're okay with them and you want to put them forward to a vote at the next meeting, we'll get the proper meeting notice out so you comply with that and it can be on the agenda. I don't think we need a motion for that; just someone to tell Mr. Wood what they think.

Mr. Sample: I think we should proceed.

Mr. Wachter: Is there any objection to that? This is something the Board can consider next month?

Mr. Barney: I agree.

Mr. Wachter: Thank you. If you have any questions on any of the language, I'd be happy to clear any of it up so there are no misunderstandings on the import of that language.

NEW BUSINESS

- a. Resolution Number 4, 2019 – Resolution to adopt the funding for the Summer Jobs & More Program.

Dr. Wood reads the resolution.

Mr. Cleaver makes a motion to approve the resolution. Mr. Barney seconds the motion. There is no further discussion. Motion carries 7 – 0.

- b. Resolution Number 5, 2019 – Resolution to adopt the 2019-20 Budget.

Dr. Wood reads the resolution.

Mr. Sample makes a motion to approve the resolution. Mr. Bagnoni seconds the motion. There is no further discussion. Motion carries 7 – 0.

- c. Resolution Number 6, 2019 – Resolution to enter into an agreement with The Partnership for a Healthy Community to fund an ECGRA Pilot Project for Corry Blue Zones.

Dr. Wood reads the resolution.

Mr. Barney makes a motion to approve the resolution. Mr. Sample seconds the motion. There is no further discussion. Motion carries 7 – 0.

- d. Resolution Number 7, 2019 – Resolution to enter into agreements with two (2) entities that comprise the recipients of the 2019 Multi-Municipal Collaboration Grants.

Dr. Wood reads the resolution.

Mr. Sample makes a motion to approve the resolution. Mr. Barney seconds the motion. There is no further discussion. Motion carries 7 – 0.

- e. Resolution Number 8, 2019 – Resolution to enter into agreements with three (3) applicants to the Mission Main Street Program – Round 2B.

Dr. Wood reads the resolution.

Mr. Cleaver makes a motion to approve the resolution. Mr. Bagnoni seconds the motion. There is no further discussion. Motion carries 7 – 0.

- f. Resolution Number 9, 2019 – Resolution to Adopt the 2018-19 Annual Report.

Dr. Wood reads the resolution.

Mr. Barney makes a motion to approve the resolution. Mr. Cleaver seconds the motion. There is no further discussion. Motion carries 7 – 0.

ADJOURNMENT

Mr. Paris moves to adjourn.