



Erie County Gaming Revenue Authority
Special Meeting of the Board of Directors
February 27, 2018

CALL TO ORDER

The Special Meeting of the Board of Directors of the Erie County Gaming Revenue Authority was held on February 27, 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. Bagnoni (via phone), Mr. DiPaolo, Mr. Logue, Mr. Paris, Mr. Peters, Ms. Presta, Mr. Sample, and Ms. Wyrosdick. Mr. Lee (via phone), Mr. Wachter, and Mr. Wood are also present.

APPROVAL OF THE AGENDA

Mr. Paris makes a motion to approve the agenda. Mr. Peters seconds the motion. Motion carries 9-0.

DIRECTOR'S COMMENTS

Mr. Logue: Mr. Chair, I would like to reserve my comments for item 9, Old Business with respect to the Ridge Policy Group.

COMMENTS BY THE CHAIR

None.

PUBLIC COMMENT

None.

EXECUTIVE DIRECTOR'S REPORT

Mr. Wood: Thank you, Chairman Sample. I just wanted to read a statement into the record.

Leveraging gaming dollars is a consistent stance taken by the ECGRA Board of Directors throughout the years. It's the idea that if ECGRA invests \$100,000 into a project or a group of nonprofits, they must match it with at least \$100,000. In other words, ECGRA's \$100,000 has a direct impact, at minimum, of \$200,000 in the local economy. In our grant guidelines we call this local match. Local match isn't in our by-laws; it's not in our charter or any other legal guiding document. It's a smart policy adopted by the Board. It's smart because it ensures economic impact, it separates the committed from the speculative, it shows buy-in from the applicant, and it demonstrates skin in the game.

ECGRA has been very successful in leveraging gaming dollars. In 2017, we commissioned an economic impact study that showed \$40 million of gaming funds had an impact of over \$208.8 million in the local economy. That's tremendous leverage. The conversation about leverage is a conversation about the potential multiplier effect of gaming dollars. Put another way, how far can we stretch the dollar in our pursuit to administer gaming funds in a smart, consistent, and accountable manner? That's the responsibility of the Gaming Authority as chartered to do so by County government. Although leveraging grant dollars is not explicit in any of our legal documents, it is implicit that responsible administration is central to maximizing impact.

That conversation reached a new level in 2015 when we began partnering with the Community Foundation on a grant-making process called Shaping Tomorrow. Since then, two grant rounds of partnership have produced some of the most exciting projects that we have seen in local grant making. From the Community College to the implementation of Erie Refocused and the East-West Bayfront Plan, the largest funders in town leveraged each other to support community plans.

It happened in 2014 when ECGRA adopted an impact investment policy. We began searching for inventive ways to invest in the start-up and expansion of local small businesses. Impact investing was about putting grant dollars to work specifically to leverage sources outside of the community. Groups that leverage banking dollars, US Treasury Funds, and other institutional investors targeted funds to Erie County because ECGRA made an anchor investment in them.

Throughout this learning experience, the Gaming Authority was convinced that there were other sources of leverage out there still untapped. Matching State and Federal funding was a repeated theme in discussions over the years. In 2016, the Board decided to explore hiring a government relations firm to find these opportunities for local projects. Two things happened to catalyze this exploration.

First, the Legislature began discussing expansion of gaming in Pennsylvania. Internet gaming, fantasy sports gaming, and licensing issues were all on the table. Each new form of gaming was ignoring the idea of local share coming back to Erie. These new forms of gaming were projected to hurt the bricks and mortar casinos. That would, in turn, create a down-turn in funding received by Erie County for the local share provision.

Second, the ECGRA Board wanted to understand how gaming dollars could act as a local match for State and Federal funding. Competitive funding from State and Federal agencies would be useful if applicants in Erie County were aware of the opportunities and the community was properly marketed to those agencies.

ECGRA discussed the idea of hiring a government relations firm at length. ECGRA passed a resolution to do so. Then a committee of the Board interviewed three government relations firms. Ultimately, the ECGRA Board chose to hire the Ridge Policy Group. Three

weeks after hiring the Ridge Policy Group, the Supreme Court of Pennsylvania declared the local share gaming clause of the casino legislation to be unconstitutional.

The strategic use of Ridge Policy Group immediately shifted. Instead of exploring grant opportunities, we set about preserving local share gaming on behalf of Summit Township, the Settlement municipalities, Erie County government, the 200 nonprofits that had received gaming funds, and ECGRA. Put simply, we had to make a choice between spending time fixing the gaming legislation and the original intent of leveraging funds. That was an easy decision. At the time, there were multiple proposals circulating concerning gaming revenue. Some wanted to absorb local share into the Commonwealth's general budget, some wanted all of it to go to DCED for statewide distribution, some wanted it to be split between host counties and adjacent counties. Each of the thirteen counties with casinos needed to advocate for the preservation of the local share clause or it would be altered, disadvantaging Erie County and the other host counties.

ECGRA took on this advocacy role. This advocacy campaign came to a crescendo in March 2017 when the Ridge Policy Group was able to convince the PA Gaming Oversight Committee to travel to Erie and hear testimony on the importance of restoring local share gaming to its original levels. We used the phrase, "Erie County needs to be made whole" until we were blue in the face. A dozen elected officials, nonprofits, authority leaders and ECGRA's executive director testified to the Committee, providing them with a persuasive narrative on the impact of gaming funds. The ECGRA Economic Impact Study was presented into record with compliments from the Committee Chair. It was only possible because we had the luck of hiring a government relations firm just weeks before our sole source of revenue evaporated.

From September 2016 to November 2017, the ECGRA staff worked diligently with the Ridge Policy Group to communicate with legislators, the Governor's office, local elected officials, and nonprofit beneficiaries of gaming funds. Ridge Policy Group arranged for meetings with key legislative leaders and their top staffers in Harrisburg. They delivered the ECGRA Economic Impact Study to key decision makers. Ridge Policy Group was on the phone with ECGRA's executive director five to six times a week, sometimes multiple times a day. Ridge Policy Group made multiple visits to the Capitol on behalf of Erie County. It's clear that Ridge Policy Group's consistent presence at the Capitol had a significant impact on the final legislative product.

Here we are now in the wake of one of Erie County's most significant legislative triumphs in recent years. Fixing local share gaming literally means over \$100 million in revenue to Erie County, over the next ten years, if the casino remains productive at current levels. It's the most significant legislative accomplishment for Erie County in recent history.

However, we didn't stop there. ECGRA's next steps were swift and decisive. The first thing ECGRA did was to schedule a presentation for Ridge Policy Group to Erie County government officials in December 2017. We wanted to get back to our original intent of hiring Ridge Policy Group to leverage gaming funds. Governor Ridge's heart attack caused that trip to be cancelled. Then, in January as we were in the midst of rescheduling, County Council's Chairman, Dr. Foust, asked ECGRA to have Ridge Policy Group present to a joint meeting in February of County government and ECGRA Board members. That meeting was held this month.

We established three priorities in the wake of that meeting. Priority #1 was the County Executive would like to have an individual meeting to express her agenda and priorities for Erie County to Ridge Policy Group. That meeting has been scheduled. Priority #2 is establishing priorities would need to begin with discussing what projects all parties have in common. The

Summer Jobs Program is targeted to be the first grant opportunity. A meeting with Labor & Industry at the Federal level is in the works and a meeting with the Workforce Investment Board at the regional level has been scheduled.

Priority #3 is we agreed that grant funding is part planning and part opportunistic. As grant funding comes down the pike, ECGRA would arrange for distribution of those opportunities to the stakeholders that currently works within the government, economic development, and nonprofit sectors. Working conference calls to established grant-writing teams would follow.

That leads us to today. The Board has some fundamental decisions in front of it. I would summarize them in two key questions. Do we recognize that leveraging our funds with State and Federal dollars is implicit in our mission, or should we leave that to others? Do we need to consistently monitor the status of local share gaming legislation, our sole source of revenue, or should we leave it to others?

The ECGRA Board sets the vision and the staff implements it. The answer to these questions will fundamentally guide us in that process. Thank you very much.

Mr. Logue: Excuse me, Mr. Chair. Maybe Perry could have Tammi make me a copy of that report seeing as how it was entered into the record.

Mr. Wood: Sure.

SOLICITOR'S REPORT

Mr. Wachter: Nothing specifically on this point, Mr. Sample, other than to note to the Board that I did bring the closing documents from the Enterprise Development Fund Master Loan where we have reorganized our debt with them and ask that Mr. Sample stay after so that those can be signed. That was previously authorized by the Board last year. Thank you.

OLD BUSINESS

- a. Ridge Policy Group

Mr. Sample: Mr. Logue, you had expressed interest in making a comment.

Mr. Logue: Thank you, Mr. Chair and thank you, Perry. That was a very well thought out and drafted memorandum I'll term it, or your statement of interest. I agree with Perry that this Board has a decision to make. I asked Perry the other day if he would provide me with copies of checks, basically statements of what Ridge Policy Group has done for ECGRA. Perry totaled this but I also did it myself and we came to the same figure - \$84,400.01. I look at that and look at, number 1 – why does ECGRA need a lobbyist or a lobbying group? Perry already kind of went through that in his statement. What I view is this, we have politicians who are lobbyists, we have a State Senator, we have Assemblymen, we have a Governor, and actually when you distill it down, Perry is a lobbyist for ECGRA. I don't know if it's totally necessary that we spend \$84,000 to have a lobbyist.

Looking at some of the things here and taking it as true what Perry said, the Ridge Group was responsible for having that meeting, I remember that meeting through the media, that they came up here. But I think our Assemblymen are astute enough that they could have

called for that themselves. I just look at this and I look at Main Street that we did last month; we did a number of Main Street missions that we did grants of \$10,000. A few were not. The Sisters of St. Joseph were only given \$5,000 and I wondered why. Then I look at this \$84,000 and I have to question. And the question that came up is, there's an old song that came out in the '60's by Buffalo Springfield and the title of the song is "For What It's Worth." It begins – "There's something happening here; what it is ain't exactly clear" but looking at all this I think I do know now. And it appears, and this is not what the mission of ECGRA is; the mission of ECGRA is not to keep on self-fulfilling itself. We have legislators who can do that. We have all these other bodies out there that are able and capable enough to look for grants. So, \$84,000 I think can be stretched a lot differently to different groups.

Mr. Wood: Just for the record, Mr. Chairman, the Sisters of St. Joseph applied for \$5,000. That's why they received that amount.

Mr. Sample: I believe that everybody in the last round that their loans were qualified were fully funded. That doesn't always occur because a lot of times our grant programs have more applications than we have dollars for, which in the beginning was precisely the reason we went to the Ridge Policy Group. We've done this very successfully in Corry, or Rick Novotny has, is gotten state and federal monies to match with the local funds so that we could expand upon programs. That doesn't always work that way.

I sometimes make a joke of the fact that Erie is to Pennsylvania as Corry is to Erie. We're always hearing about how Erie is always left out of the negotiations in the State of Pennsylvania and how we're always the last ones to get funding. Why are we the last people to get funding? Because we're not a voice down there; we're not telling people what our needs are; we don't have people actively campaigning for us. When we did this with Ridge in the beginning, and anybody can correct me if I'm wrong and I probably am once or twice, but we did this as a prototype to go in and try to get these funds.

As Perry said, three weeks after we did it they got waylaid off to another project. I remember at the meeting with Council a few weeks ago, I just kept hearing, "What have they done in the last 18 months?" The night that we had the Committee in town, we had people saying, "How did you get Ridge on board so fast?" We were geniuses then but now everybody forgets about that 15-month period that they got distracted, or we asked them to get distracted.

I'm not agreeing or disagreeing. I personally feel that we need to give Ridge the opportunity to go out there and do what we asked them to do in the beginning. I feel that there are a lot of state and federal dollars out there that, if you don't ask for it, you're never going to get it.

Mr. Logue: But Mr. Chair, wouldn't you agree that that's why we have Assemblymen, and Senators, and a Governor; that they're supposed to go out and apply for that and do that? Here's what it appears to be. It appears that we have hired a high-powered lobbyist with connections to both D.C. and internationally, and honestly, I don't see what they've done for \$84,000. In my estimation, they haven't done anything. At that last meeting, Assemblyman Sonney even criticized us and said, "If anyone is going to hire a lobbyist, it should be the City of Erie or the County of Erie. It shouldn't be an Authority." Who tasked this Authority with attempting to garner all these funds for all these different groups who are capable of doing it themselves or picking up the phone and talking to Mr. Sonney or Mr. Harkins or whoever?

Mr. Sample: We're not trying to save Erie County. What we're trying to do is get funds to match the funds that we have for the nonprofits. Now all of a sudden, everybody assumed that we would be going through and doing this.

Mr. Bagnoni: I voted for Ridge the first time around and at the time after they got done we said, "we'll see what happens." But I'm looking at these checks that we have that they have submitted to us, they not only billed us for the \$4,000/month that we were paying them but they also billed us for every meeting they had with us, for hotels, and everything else. But I see nothing of where they're having any meetings with other people. All they have is meetings with us and they bill us additional dollars for each one of those meetings. One-fourth of the money that we pay them, \$20,000, according to their checks, was for lobbying in Washington D.C. I see no benefit from that \$20,000. We invested it; we got nothing back for it. You might say that we got the ECGRA back for the \$3,000/month that we were paying to Harrisburg but I'm not even sure of that. What we're asking them to do is so vague. When the airport wanted money for a runway expansion, we knew exactly what it was for. We went down and we looked for pots of money that were available for that project itself. We didn't say to them, "Just shotgun this. Just go out and find any money available, regardless of what the money is and bring it back to Erie." Even if they did, let's say the County gets \$100,000 grant from Washington D.C. tomorrow, how do we know that the Ridge Group got it? They could say that they did that but there's nothing to show that they're doing that because we don't have any specific path for them to work on. This is just too much. If we wanted to subsidize these projects, we could go ahead and say, "If you have a good project, we will fund you getting a lobbyist to go and get money down in Harrisburg or Washington D.C." But to shotgun this thing; to go out there and just vaguely with no specific target at all is, I feel, ridiculous. I don't think we should be doing that.

Mr. DiPaolo: Mr. Chairman, if I may. After we had that meeting down at the Courthouse, the County Executive was kind of confused as to why ECGRA was doing this as opposed to the County. Hearing the Council people say that for basically 18 months it was a waste of money, I had an opportunity to talk with Pat Harkins afterwards and he said that not one time during this time period where the State was looking into disbanding this whole Authority that anybody from the Ridge Group contact any of the legislators. And that was himself, Sonney, and Flo Fabrizio. If they did all this work for \$84,000 to keep this Board, I don't know who they talked to because they didn't talk to the legislators. While we were there at the Courthouse after the meeting broke up, I happened to be talking to Pat at that particular time and Mark Campbell came up and started talking with Pat while I stood there and started questioning Pat when the Republicans were going to select a Chairman of the Oversight Committee. Naturally, Pat is the Democratic Chairman of the Oversight Committee and he wanted to know when they were going to select a Republican Chairman of this Committee. Pat said they did that in December. So, if these guys are so on top of things, they didn't even know that the Republicans had already put somebody in as the Chairman of the Oversight Committee.

And one other thing. This whole State situation ended in October 2017 so let's give the Ridge Group the benefit of the doubt and say between October 2016 and October 2017, they basically tried to help this Authority. Now, since October 2017 to February 2018, what have they done? Where is the return on our investment that we're still paying \$4,000/month? How long is it going to take these people to actually do something?

Mr. Peters: Mr. Chairman, if I could just comment on a couple things that Mr. DiPaolo pointed out. The meetings that Ridge Policy Group had with the legislators was with legislative leadership that was really, at that time and in that process, really driving the process. That's one point of clarification. It wasn't as though they were meeting with every legislator around the Commonwealth; it was with legislative leadership. The second piece that I just wanted to clarify for the record, ECGRA was investing this money and at the time, as Perry had pointed out in his summary, local share was at risk. This wasn't just about "saving the Gaming Authority." This was about preserving the funding that funds STEIDA (Summit Township Economic & Industrial Development Authority) which receives I'm going to say about \$1 million right off the top, Erie County which receives the unrestricted portion of funding from local share, and then of course the Gaming Authority. So, it really was something that did benefit not just "this Board or this Authority." It was about bringing that local share back.

At the time, and as the Treasurer I was privy to some of these conversations, there was a really hard push by certain legislators as well as DCED themselves to get local share into DCED's pockets rather than being distributed by a local group or Authority. In that 12 months that you're giving them the benefit of the doubt, which I appreciate because I was able to see some of that work that they were doing, it really was beyond just helping this Authority. It was about helping the whole community.

We happen to be a source of flexible funding; there are not a lot of sources with flexible funding in Erie County. You've got the Community Foundation which has some flexibility and certain private foundations have a certain amount of flexibility and we, under the wisdom of County Council, were created to act as a flexible funding source for the needs of the entire County. While I agree with the group that it's time that we make sure we know exactly what Ridge is doing for us today and moving forward, I would hate to see us make a move that could potentially result in us not having a voice in both D.C. and Harrisburg that could potentially help us bring some much-needed funds back here.

Mr. Sample: One of the motions was to take all of the gaming funds and spread it throughout the whole Commonwealth. The people who had the gas wells were the ones that were promoting that. They said, "Let's spread this money all over, regardless if your county has a casino. Let's just take this \$10 or \$11 million that Erie County has and spread it all over the State of Pennsylvania."

Mr. Logue: If I may, Mr. Chairman. Chuck, you mentioned STEIDA and the County. Who are the liaisons for those two organizations and why aren't they helping pay for this if you said it wasn't just saving this Board?

Mr. Peters: Nancy Agostine participated both in the hearings and throughout the process. We didn't ask them, certainly Perry kept them aware of what we were doing and they participated, but I don't know that we asked. I could give an example; many years ago, the County and ECGRA were sharing in some legal expenses related to litigation. That was the last time I recall asking them for money to participate and unfortunately, they didn't have the money to do so. In terms of asking them to participate with Ridge Policy, we had made the commitment to do it and it felt like the right thing to do to include them and help them. Sort of along the lines, Mr. Logue, of a rising tide relationship. If we can help STEIDA, our neighbor, or if we can help the County who is really our sponsoring organization, then it seemed like the right thing to do.

Ms. Presta: Mr. Chairman, I have a number of questions and I appreciate the fact that I am one of the new members to this Authority so I apologize if this is information well-known to others or redundant in any fashion. I also appreciate receiving the materials in advance of this meeting; the contract itself, the financials. That's very helpful and I would encourage us to continue to do that in the future.

I have four questions after review of these matters. First, what and how are the efforts or actions of Ridge Policy Group on our behalf reported or communicated to us each month? Perhaps those are just through Mr. Wood. Are there discussions? Is there some written memorialization? How are we checking and accounting for their time and our investment each month? First thing, accountability.

Second, what communications are had between Ridge Policy Group and the County or the County Executive to ensure that Ridge Policy Group, on behalf of the Authority, are consistent with furthering our regions priorities and needs? Ultimately, that is our mission – the Authority. So, how is that connection being made on a consistent, accountable basis?

Third, I did note that, although I was not part of the Authority at the time of the gaming legislation controversy, I did note that as of October 30, 2017, Act 42 was passed and I'm looking at the four months since then. What have they done for us lately? What is our return on investment during that period of time?

My last question is, what is a reasonable period of time to charge such a lobbyist group, a government relations company, with providing tangible return on investment? It may be that that four months a whole lot happened and was done and that is yet to come to fruition and it's reasonable to see that in another month, another two months, another three months. I am of a mind to provide a reasonable opportunity to obtain, to see, that tangible return on investment – not indefinitely, not even for an extended period of time. What's the answer to the question? What's a reasonable period of time? In my mind, perhaps there was some adjustment in November with returning to original scope, but they've had at least three months.

There are my four priorities in making a decision on my position on where we go here with Ridge Policy Group.

Mr. Logue: Mr. Chair, if I can. I just want to come back to this.

Mr. Sample: Let's answer these questions first.

Mr. Wood: The first question was, how are Ridge Policy Group's communications reported and what is communication like between the staff at ECGRA and the Ridge Policy Group? Is that a good summary?

Ms. Presta: I suppose. Does that come through you to the Board? Are those written?

Mr. Wood: It does. I would say it is primarily communication between Ridge Policy Group and myself. During the gaming legislation, there were numerous phone calls, emails, meetings that were set up in order for us to go and present our case; what impact gaming revenue is having and why the idea of saving local share was really essential. In essence, they would map out a strategy for us on who we should be talking to in order to be maximizing our influence in Harrisburg; hence Chuck's discussion about going straight to the leadership. Really, at that point in time, committees of the leadership during this 12-month period were the ones negotiating the future of the legislation.

Ms. Presta: I appreciate that but again, having not been a member of the Authority at that time and viewing that now not as the not far distant past but the past, my question is really focused on the last three or four months. Are you getting an agenda, an itinerary of the meetings they are having? With whom are they speaking? Are they providing you with the outcome of those meetings? What kind of consistent, maybe not daily, but at least monthly as are our invoices, accountability is there for their time?

Mr. Wood: We have done several conference calls with agencies, especially trying to get something arranged with Labor & Industry in order to talk about Summer Jobs. That is one example. I think, from a project management standpoint, we have a process in place where we tell them about a program that ECGRA is funding and we'd like to leverage those funds. The next step would be to get the proper agency involved that can apply for those funds whether it be the County or, ideally not ECGRA, or GECAC for example.

What's happened is, in the last year in D.C. for example, the agenda has been all over the place where most of these groups have been ineffective in their lobbying because they haven't settled down and said, "These are the following things we are going to accomplish." We know that there is an infrastructure bill on the way, for example, so we're trying to position ourselves with a certain congressman who runs the committee who is going to oversee infrastructure. So, what does that mean? That means they are going to be meeting with those folks, we give them concept papers, we give them summaries of what we have done. We had a meeting with Congressman Kelley to talk about Ignite Erie, for example and how rural innovation is different from major urban area innovation; we're not in the top 25 metro areas in the country.

Ms. Presta: I appreciate what is done. My question is a little bit different. I would want to see some increased transparency with regard to, for example, my time is my value in my profession. What kind of time are they spending and with whom for \$4,000/month? It's not an unreasonable inquiry.

Mr. Wood: I do have that information.

Ms. Presta: I think that more transparency perhaps between Ridge Policy and yourself, and then yourself to the Board, would perhaps go a long way. I don't want to monopolize this meeting because that could take all afternoon; so, if you could just touch on the other questions I have.

Mr. Peters: Before we move off of that first question, we were receiving monthly reports from Perry from activity on this process. In the last couple of months, I don't think we've seen that. I think that's a good point. We need to get back to that and it becomes an agenda item of where have they spent their time.

Ms. Presta: Right. I would view that as giving them the benefit of the doubt, or water over the dam or whatever, but now – fixed on current to future.

Mr. Wood: The second question was, What is communication like between the Ridge Policy, the County Executive and County government to ensure that Ridge Policy is consistent with . . .

Ms. Presta: . . . priorities of the region as determined by local government?

Mr. Wood: That was the idea behind the meeting in December, which never took place. By the time schedules were aligned, we didn't have that meeting until February. So, the answer is very little to do alignment between December and February. Now, the February meeting was supposed to be about alignment – the one at the Courthouse. It didn't exactly play out that way. However, it was a great kind of entrée to remind folks that we have this service. In the wake of that, we've had a meeting with the City of Erie and some of their members of their Cabinet to discuss their priorities and we have one on the books with the County Executive to do the same exact thing.

Ms. Presta: Wouldn't you agree that more consistent, regular meetings with those two entities or individuals, that it's really in the best interests of the Authority?

Mr. Wood: I don't think it would hurt.

Ms. Presta: Can't hurt, might help.

Mr. Wood: One of the things that we had talked with Ridge Policy Group about was perhaps doing a bi-monthly conference call as we lay these priorities out there and begin to see the opportunities as they come in.

Third question, we kind of addressed that with what has happened in the last four months.

Ms. Presta: I'm not sure we really have a good answer to that.

Mr. Wood: Question number four – what is a reasonable period of time to charge a firm to work for ECGRA? That's a great question. This is the first time that I've worked with a lobbying firm professionally. I think it depends upon what the goals and priorities are; if we're looking at the infrastructure bill for example, that is the next long-term project concept which may never come to fruition. But if we're looking at the Appalachian Regional Commission power funds, for example, which are an economic development source, we know exactly when the timeline is for those to be due, who are the relevant players in the region to pull together, how to put the application together and go after it. That's very objective. We know when it's due and we'll know whether or not we got it. That's objective. You can say whether or not they were effective in that process.

Ms. Presta: I understand that the outcome or goal is always going to vary based upon what the outcome or goal you are pursuing, correct? Again, with an unwillingness perhaps, some general consensus maybe of the Authority of the Directors that an unlimited extension of our relationship with Ridge Policy Group is not going to be favored. What would Ridge Policy Group have to say to us on what is a reasonable period of time? I paid them this amount of money, they've been able to leverage this amount of money, I have this matching grant in this amount of money; in other words, tangible, measurable assessment.

I do appreciate that with lobbyists, a lot of it is not tangible; the relationship and the voice in state government is absolutely an intangible that is of significant value. But there has to be

some more tangible measurements and I need to know a period of time that I can expect to see that.

Mr. Wood: That's a good question. For the ongoing monitoring of the future of local share gaming revenue, infinity. That's the wrong question to start with.

Ms. Presta: Not acceptable.

Mr. Wood: The other question would be, do we want to leverage funds at the state and federal level? I think it would be reasonable to offer them six months and to regularly report back within those six months and see what kind of progress we are making and let the Board decide if that progress is worthwhile.

Ms. Presta: Are they able to provide us with, and I assume the answer to this would be yes, with an accounting for what efforts, meetings, telephone conversations, and initiatives of where they've gone in the last three to four months since the Act 42 was passed on October 30, 2017?

Mr. Wood: Yes, they can provide us that. They keep track of their time for each client on an hourly basis, the same way an attorney does.

Ms. Presta: I would love to see that.

Mr. Wood: Great.

Mr. DiPaolo: Mr. Chairman, can you answer her third question, Perry? The third question that she had, can you answer that one?

Mr. Wood: Can you repeat the question?

Ms. Presta: What they have done since the legislation was put into place.

Mr. DiPaolo: Act 42, right.

Mr. Wood: I think we will have that answer when we provide the hourly data.

Ms. Presta: So, not clear today, but we can be provided with that data from the Ridge Policy Group. Is that fair?

Mr. Wood: Yes, and I will make a note of that.

Mr. Logue: Mr. Chair, I just have a couple of follow-up questions for Chuck. If I am understanding, you had some type of liaison with Ms. Agostine and somebody from the County.

Mr. Peters: Perry did.

Mr. Logue: Ok. You said Summit gets one million dollars, right and we more or less helped them and went through this process. Summit didn't put any money in but ECGRA hired this

lobbyist and did this and saved Summit's local share of one million. Why wouldn't this board at this time, asked and said, "Hey Summit Township, we're helping you. Put in \$3,000 or \$2,000 a month." How come nobody thought about doing that?

Mr. Sample: One of the issues that I have is Act 42 got done in October and we've been told, and we all recognize the fact that Governor Ridge is very important to the Ridge Policy Group, at some points I wonder why we weren't given some concessions when they told us they all went to Texas. I would not be above asking them, "If you were not out there working, why did we get billed?"

Tony, in response to your comment. It's probably the same reason that when we got sued by everybody and we got \$160,000 legal bill, half of which was the County's, we never went to the County and said, "You owe us \$80,000."

Mr. Peters: Let me clarify that. We did, and they said, "We do not have it. We do not have this money in our budget to be able to pay that." Then the Authority, we had different counsel at that time, it was Attorney Talarico (who represented both this Authority and County Council), and his recommendation at that time was, "The County isn't in the position to always contribute to these kinds of things and this is something that this Authority can do."

Mr. Logue: That was ten years ago.

Mr. Peters: It's just an illustrative point.

Ms. Wyrosdick: Mr. Chair, I just have a couple of comments. As Perry mentioned, the City and Millcreek did have a conference call with Ridge Policy Group yesterday; Perry was there as well. I unfortunately had missed the meeting with County Council and did not have an opportunity to ask about the logistics of how this relationship with ECGRA and Ridge Policy Group would then filter down to the local governments and municipalities, who are actually going to do the majority of these projects; you can call them agencies or nonprofits that will all be a part of this. ECGRA is a funding source; they don't necessarily focus on all the projects that will go on in this region. I know we have some specific areas of interest.

I left still feeling a little confused as to how local priorities are then discussed and then presented to Ridge Policy Group; that is more of an educational part of my learning since I am now with ECGRA. The City of Erie recently completed a Comprehensive Plan which is very specific. We have very specific priorities that are documented and can be a narrative in Harrisburg and has already shown that we can bring tremendous resources to this city just by having those planning documents in place.

I asked last year how much RCAP funding or RACP funding we were able to get, but because we have our plans in place, our priorities listed, we were able to get \$19 million in RACP funding, absent Ridge Policy Group's involvement. We were able to obtain \$30 million in PennDot Spike funding absent Ridge Policy's involvement. That's just scratching the surface of our ability because we have aligned our voices through a planning document and we have priorities. In addition to that funding, the EDDC (Erie Downtown Development Corporation) essentially was started and created because of Erie Refocused, the City's Comprehensive Plan. That's an additional \$25 million dollars that was created because the City has its priorities identified and it's easily explainable.

However, I don't think our problem is Harrisburg; I think our greatest untapped resource is in D.C. I think it's at the federal level where we don't have a good history of understanding what's available to us. So, my question and the reason I wanted to have the conference call yesterday is, what does that relationship look like with Ridge Policy Group if they can be an advocate for projects, city-wide and county-wide. When I say city, this could easily be county-wide initiatives. If there is an opportunity for Ridge Policy Group to advocate for federal funding like the infrastructure bill, like transportation funding where we're looking at improvements to the Bayfront, we're looking at over \$100 million dollars, easily, over the next ten years that we will need in order to do all of those improvements. And that's only one transportation project when you look at it. That only scratches the surface of what we really need to help the City and to help this region. That is going to have to come from lots of different resources and that's at the federal level.

My interest is in the federal advocacy that RPG could potentially bring to this region. RPG was unknown to me and I worked at the County level before this but they were a resource available to this region for over a year and a half. I know their focus was elsewhere but as part of their contract, it does say that the Erie County Gaming Revenue will set an agenda with Ridge Policy Group that they will act on. It doesn't feel like from this conversation that this agenda has been set, that their marching orders have been given to them.

I do want to put a strong point on this – that that agenda also needs to be formed by the County, by the City, and by the other municipalities who need that support. I also think that it is a very valid point that municipalities would have a hard time coming up with the funding to pay for a local government service. It would be very challenging for a municipality to fund this. So, the availability that ECGRA could bring for this kind of service, I think is a positive; although I am not throwing my support behind it 100% because there are still some unknowns but I do see value at the federal level.

I left just that one question out there. I do want to bring up a point to the Board, and perhaps this is a perception that is inaccurate, but back in November and December I was working very closely with the County Executive crafting an ordinance to create an Erie County Land Bank to capture the one million dollars of gaming revenue that was going to come to the County for a land bank. The reason I worked so diligently is because I understand the void that we have in Erie County to work on issues of housing revitalization, neighborhood stabilization, in the City and everywhere else in the County. The Erie County Land Bank opportunity was an opportunity to fill that void so I worked very closely with her to develop that proposal.

As we all know, Dr. Foust on County Council was developing a specific proposal that would have essentially given the one million dollars back to ECGRA to work on a Neighborhood Infrastructure and Revitalization Fund, or NIRF. We had two competing proposals essentially, which is unfortunate but it is politics, pitting County against County. It felt like, although the meeting was not had in December, that the Ridge Policy Group was being asked on behalf of ECGRA to come and lobby one proposal against the other. I want to bring that concern up to this Board because if that is going to be the case, maybe it wasn't but it certainly felt like it from our perspective. If we're looking at pitting County against County organization, municipality against municipality in the County, that is definitely not a direction I would support or ever support. But if we want to actually align our resources, understand what our local priorities are, and then promote those to Harrisburg to some extent but definitely at the federal level, that is something that I would like to learn more about and I think it's worth at least seeing what we could get out of Ridge Policy Group.

So, there's one question and if you'd like to respond to the last statement I would certainly like to hear from you.

Mr. Wood: Ridge Policy was not brought here to lobby for the land bank.

Ms. Wyrosdick: I can tell you at the County level it felt very much like a, it felt very threatening.

Mr. Wood: Like they were threatening you?

Ms. Wyrosdick: Not like they were threatening me, Perry, but it seemed like it was a strong movement by ECGRA to lobby one against the other. That meeting didn't happen but I do want to point out that either way, the position of ECGRA and the NIRF proposal and the County Executive and another proposal, it was unfortunate that that was the position and that there were competing positions. We do not need to be fighting against each other at any point.

The other question that I had proposed about how we bring those local priorities to ECGRA and then to Ridge Policy. I think there is a lot of value there but I'm still uncertain about how that would look.

Mr. Lee: Mr. Chairman, may I make a comment? First of all, I think that this a very healthy discussion and conversation that is going on. I can share with you from the County Executive that the meeting is set up, as Perry has eluded to, coming up so we at the County can share some of the high priority goals and objectives that we are working on and perhaps how the Ridge Policy Group can help us in navigating and facilitating through the various processes for these initiatives.

In addition, we are in the works of talking with the Department of Labor and Industry; the Ridge Group is coordinating that meeting so that we can hopefully identify an opportunity for some funds for the Summer Jobs Program.

The last comment I would make is that, I think we have an opportunity to do a reset here. There were a lot of things going on last year with the gaming legislation and other things were going on as well with the County. But I think this is an opportunity to do a reset and to hold the Ridge Group accountable based on the new agenda that everyone will be partaking in – the County, the City, ECGRA – and whatever time period that the Board decides whether if you're going to go 90 days or you're going to go 180 days, that is up to the Board. But I think there is an opportunity for the Ridge Group to add value to Erie County. Many times, we have been left out of the mix. This is one of the ways that progressive and driving counties, and not only counties but states, this is what they do. They do business by hiring a lobbyist.

I think that ECGRA had identified an opportunity to do just that. My comment is that I would recommend that we do a reset and we move forward. Thank you, Mr. Chairman.

Mr. Sample: At the last Board Meeting I made the comment that out of the meeting with County Council, I read loud and clear that it was appearing that ECGRA was trying to act like the County. I never felt that that was our mission. We did not do a very good job of going out to the County or the municipalities, and I'll use the excuse of the gaming laws, but we didn't have enough time to go out there and market the opportunity. That is exactly what we wanted to do, at least that was my impression when we hired Ridge Policy, is that this would be an opportunity. We were certainly not trying to act as the County or any municipality. We wanted to make that opportunity available but we were looking for matching funds.

To Gary's point, we do need a reset. We do need to get these people together and say, "This is an opportunity that we have." And to Dr. Foust's point last time was when he said, "I'm certainly not going to my constituents asking them to pay for a lobbyist. I'd much rather have ECGRA do it because I'm not going to ask them to pay an increase in taxes."

Mr. Logue: Gary, hopefully you can hear me. I'm obviously not holding you to anything but seeing that the Ridge Policy Group would benefit a number of entities, would the County of Erie – maybe you could speak with Ms. Dahlkemper to see if she would place any money here to help us alleviate some of this \$4,000/month. Maybe we could ask Summit Township, seeing as they receive one million dollars as Mr. Peters indicated to us. What do you think, Gary?

Mr. Lee: I can only speak on behalf of the County, Mr. Logue, and I can share with you that at this time we do not have it in the budget for any lobbying efforts and any type of public relations initiatives. As you know, this would need to go before County Council via an Ordinance; not saying that stuff like this could not be discussed in the future but I can share with you that for this particular fiscal year, which is based on the calendar year, those types of funds have not been allocated for the County.

Mr. Logue: Thank you, Gary.

Mr. Peters: Mr. Chairman, I wanted to come back to Ms. Wyrsoedick's points. First, on the idea of utilizing this resource more on a federal level, Perry, more than the state level, does our contract specifically say 50/50 or can we focus on D.C. more?

Mr. Wood: In essence, that is what we did when we focused all our resources on the state.

Mr. Peters: And just for the benefit of the new folks on the Board, and certainly Tony can attest to this and Dave and Mike and Dale who have been around awhile. Typically, the way that this goes down is, say there are these meetings with the city and then ultimately with the county and there are ideas that come from them on how we should utilize this resource, in this case Ridge Policy. Perry would bring that to the Board and say, "This is what I've gathered from my research. I've learned that the city wants to focus on the comprehensive plan and the county is in support of that but would like us to do X, Y, or Z." It would then be incumbent upon this group sitting around this table to say, "How do we direct our resources, whether it's Ridge Policy as a human resource or our financial resources?" It's a pretty well-established process for how we go about this. I think the message is pretty loud and clear that if we decide to continue using a government relations firm that we are asking staff to conduct those meetings, do that research, and come back to us with what the county's and city's priorities are so that we can then direct that resource.

Ms. Wyrsoedick: A comment going back to the strategy by which Ridge Policy would be utilized. I did notice in their contract that they would start with an in-depth strategy session with ECGRA. Was that done? Were they given specific logistics or marching orders? And if not, it sounds like that is the reset that we need.

Mr. Sample: That is the reset we need right now is to go back and get them . . .

Mr. Wood: We voted to bring them on board in August 2016, we signed the contract in September 2016, and then weeks later, in October, everything fell apart. That meeting did not happen.

Mr. Peters: We did have some preliminary meetings, I recall it was over a lunch, and we sort of brainstormed about some ideas we wanted to focus on. It was about an hour meeting. But then the world sort of changed.

Ms. Wyrosdick: I just wanted to point out that, contractually, it appears that the reset that is being asked for is a service that one should provide and absolutely could provide.

Mr. Sample: Absolutely. I think that we need to have that meeting with them. We need to sit down and say, "You've got X amount of time." But we have to have our priorities first. We have to get the County and different communities together and decide how we're going to move forward. I hate to put it this way, but we want to get some wins; we want to go out and do some things that will be successful for the area. I do think we need to have that meeting, that reset, but that is if we decide to move forward.

Mr. DiPaolo: Mr. Chairman, if in fact, it appears that the question here is whether or not we end the contract with Ridge Policy Group or whether we give them more time to try to show if they can do something for us, I think that is what we're looking at. I would like to have Perry or the Solicitor sit down with them and if, in fact we decide to give them a few more months to do something, if they could do it at no fee to see what they would do. They grabbed \$84,000 from us already, if they really want to do something for us, then show us that you want to do something. Then of course, you know where that's going to go.

Mr. Sample: I can tell you if they're not being compensated, they're not going to do it.

Mr. DiPaolo: I understand that but what I'm trying to say though is that, here we are in this situation where you paid this group \$84,000 and especially with Act 42 ending in October, you gave them five more months and they still didn't do anything. That's what I wanted to bring up.

Mr. Logue: Mr. Chair, we're speaking about a reset. So, if we're going to have a true reset, why don't we bring all of these other players that want to benefit from the Ridge Policy Group – the City, the County, Summit Township – and have them share in this fun of paying this bill every month. Again, as Mr. DiPaolo said, they haven't done nothing for us. \$84,000, have a nice little dinner down at the Sheraton Bayfront and I'm sure that was a lot of fun for everybody, but it didn't benefit anybody in the City of Erie. It kept the Authority here, I wonder about some of those things. I think if we're going to do a true reset, we give the Ridge Policy Group thirty days, we terminate the contract. I don't think they're going to go anywhere so if this is such an esteemed international group, certainly everybody could then chip in and hire this Ridge Policy Group. It shouldn't be ECGRA on the shoulders of the taxpayers taking care of a lobbyist. It shouldn't be that way. It should be all these other entities doing that. Thank you.

Mr. Peters: I really need to respond to Mr. Logue. I think it's a really unfair and dramatic characterization to suggest that the Ridge Policy Group didn't do anything in the last eighteen months. I want to be on record as respectfully disagreeing that they did not do anything for the

last eighteen months. They were actively working with staff at the Authority who was reporting back to the Board on a monthly basis the status of local share. As I've said before and I think it bears repeating, this was not about "saving ECGRA." As a matter of fact, never once was the State in any position to eliminate ECGRA. All the State was able to do was eliminate the funding to ECGRA. The funding that is already within the ECGRA system, they couldn't touch. I just think it's an unfair characterization to suggest that Ridge Policy Group has done nothing for the last eighteen months. Candidly, I do bristle a bit when I hear that because we saw them working over that period of time, Mr. Logue. They were working and they were working to the benefit of the citizens of Erie County who have benefited to the tune of hundreds of millions of dollars between direct investment and indirect impact of those investments. I just feel the need to say that they certainly did work over the last eighteen months.

Ms. Wyrosdick: I appreciate Mr. Logue's comment about sharing in the benefit of access to Ridge Policy Group but I want to reiterate what Mr. Lee had said on the phone is that municipal budgets are set for the year; it is challenging to go back and try to squeeze out funding now; we really won't have an opportunity to even consider that until at least the fall of the year. Asking for funding right now, mid-budget, is going to be – actually it's just the beginning of our financial budget – it's going to be very, very difficult. I think it's a timing issue; I can't speak on behalf of the City and what the City has approved but I know that the County and the City and I'm sure that Summit has the same challenges in trying to find money right now after a new budget year just started.

Mr. Sample: Right. If we tried to do that, we would be destined for failure because nobody would have the where-with-all to do that.

Mr. Bagnoni: I would like to say that unless we can come up with some specific pots of money that we want them to work towards securing for this community, and unless we find some way to quantify what they are doing, then I don't really see a purpose in us having them. We need to have specific areas of money that we want to go after. This is a shot-gun approach to lobbying. You don't shot-gun it; you have specifics. The NRA lobbies for guns, all these groups that lobby for themselves. The bottom line is that if we are going to lobby, then we need to lobby for a specific thing, not a vague thing; not a nebulous thing that is out there that we could possibly get a pot of money. We could get this pot of money; we could get that pot of money. We should be going for one specific thing and that should be it.

Mr. Sample: I think that's what they brought up before about having the reset so that we would have some process to know where everybody is at. Again, it's not ECGRA's place to act as the County or the City or anything else. I would like to think that we would be a facilitator that would give them an opportunity. In my opinion, initially we were looking for funding to match funding that we already had to grow the nonprofit and those areas. If we don't ask for these dollars, we are never going to get them.

Mr. Bagnoni: The problem is, who are we asking for?

Mr. Sample: That's why we need to have a reset. We never had that opportunity in the beginning. We never had that initial meeting to go after this stuff; we did some brainstorming but we've never had the opportunity to sit back down with Ridge Policy Group.

Mr. Barney: Excuse me, Mr. Chair. Are we going to vote to extend it or are we going to vote to term them? I've heard all this several times before.

Mr. Sample: I guess we're looking for a motion. The way that it is set up presently is that we go on.

Mr. Barney: Then let's get to the motions.

Mr. Sample: Then someone needs to make one.

Ms. Wyrsoedick: Just for clarification, Mr. Chairman. This contract is a month to month contract.

Mr. Sample: It is a month to month contract but what we would be doing would be to set up the comfort to know where we're going to go. In our own mind, we need to know. If we're going to do it for two months, I don't think we're going to see any results, in my own opinion.

Mr. Peters: Point of clarification, I don't think that this meeting was called, or I don't know if we have to do anything. There's an existing agreement that is month to month; we have given the staff pretty clear direction on what people on this Board want to see. That's not to say that if someone wants to make a motion to do something, they are welcome to do so.

Mr. DiPaolo: Mr. Chairman, I make a motion that we end the contract with Ridge at this particular time.

Mr. Logue: I second that motion.

Mr. Sample: Are there any questions of the motion? If not, could we have a roll call vote, please?

Mr. Wood: Mr. Paris – No; Mr. Peters – No; Mr. Barney – No; Mr. Bagnoni – Yes; Mr. Logue – Yes; Ms. Presta – No; Ms. Wyrsoedick – No; Mr. DiPaolo – Yes; Mr. Sample – No.
That motion fails 3 – 6.

Ms. Wyrosdick: Mr. Chair, I'd like to make a motion that we schedule a Strategic Planning Session with the Ridge Policy Group within the next 60 days in order to understand what the expectations of the Ridge Policy Group will be for this Board.

Mr. Wachter: If I may ask a question, Ms. Wyrosdick. Is that to reinstitute the contract provision that you previously mentioned?

Ms. Wyrosdick: To set an agenda, which is an in-depth strategy session with Ridge Policy.

Mr. Wachter: I just wanted to make sure that your motion was directly linked with that particular contract provision so there was no misinterpretation.

Ms. Wyrsoedick: Thank you. Yes.

Mr. Barney: I second that motion.

Mr. Sample: Can we have a roll call of that?

Mr. Wood: Roll call on the reset motion: Mr. Paris – Yes; Mr. Peters – Yes; Mr. Barney – Yes; Mr. Bagnoni – Yes; Mr. Logue – No; Ms. Presta – Yes; Ms. Wyrosdick – Yes; Mr. DiPaolo – No; Mr. Sample – Yes.
That motion carries 7 – 2.

Mr. Sample: Is there any further discussion of the Ridge Policy Group?

NEW BUSINESS

No new business.

ANNOUNCEMENTS

Mr. Sample: The only thing that I would request, Perry, is to ask Ridge to consider that there was a period of time when maybe they weren't really focused on our needs; maybe we could get an adjustment.

Mr. Peters: I would agree with that. I would also ask, Perry, for the detailed accounting of their time.

Mr. Barney: Just a question on that month to month thing, we're not going to say that they have ninety days or six months. We are going to keep with . . .

Mr. Sample: We want to have the meeting within 60 days. In order to end the contract, we have to have a vote to do so.

ADJOURNMENT

Mr. Bagnoni makes a motion to adjourn.