



## **Erie County Gaming Revenue Authority**

### **Minutes of the Board of Directors' Meeting**

**March 17, 2022**

Meetings for the Board of Directors of ECGRA can begin meeting in a physical location per Governor Wolf's proclamation of June 11, 2021. However, each member and ex-officio has the option to attend in person or virtually. Members of the public can now speak at the physical location of 5240 Knowledge Parkway.

Recording of this meeting was started late, so the initial portion of the meeting is transcribed from notes taken by Ms. Michali.

#### **CALL TO ORDER**

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on April 21, 2022 at 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.

#### **ELECTION OF OFFICERS**

Dr. Wood speaks to the fact that the current officers are Mr. Dale Barney as Chairman, Mr. Dominic DiPaolo as Vice-Chair, Mr. Whitey Cleaver as Treasurer, and himself as Secretary. He explains that it is usual practice to have officers in position for two years.

Mr. Sample makes a motion to keep the existing officers in their respective positions. Ms. Hess seconds the motion. There are no further nominations or discussion. Motion carries 6-0.

#### **ROLL CALL**

Mr. Barney, Ms. Hess, Ms. Loll, and Mr. Sample are present via Zoom. Mr. Wachter is present via Zoom. Mr. Cleaver and Mr. Winschel are present in person. Dr. Wood is present in person.

#### **APPROVAL OF THE AGENDA**

Mr. Sample makes a motion to approve the agenda. Ms. Loll seconds the motion. There is no discussion of the agenda. Motion carries 6-0.

## APPROVAL OF MINUTES – March 2022

Ms. Hess makes a motion to accept the minutes as presented. Ms. Loll seconds the motion. There is no discussion on the minutes. Motion carries 6-0.

## DIRECTOR'S COMMENTS

Mr. Sample welcomes Mr. Gary Winschel to the Board of Directors.

## COMMENTS BY THE CHAIR

Mr. Barney welcomes Mr. Winschel to the Board and says he is looking forward to meeting him in person and working with him in the coming years. Mr. Barney also thanks those officers who are willing to continue to serve in their positions and looks forward to a good year.

## PUBLIC COMMENT

There is no public present.

## PRESENTATIONS

There are no presentations scheduled.

## COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Cleaver turns the report over to Dr. Wood to be discussed in further detail, so that Mr. Winschel can have the reports explained to him more thoroughly than they are normally reviewed in a regular meeting.

Dr. Wood begins discussing the financial reports, starting with the Profit & Loss statement. Dr. Wood explains that there is a monthly breakdown that shows expenses, a year-to-date total to show where we are in relation to our budget and that the far-right columns also show the budget and where we should be with expenditures for the year per month.

Dr. Wood then shows the list of Grants, Settlements, and MRIs listed on the bottom portion of this report and points out that we don't have a budget for such items, but the monthly amount, as well as the year-to-date amount is shown. He discusses how this is a great report to show where the Authority stands at any given point with its finances and how all the rest of the reports tie into the Profit & Loss report.

Recording has begun for the meeting at this point.

Dr. Wood: The next report is the Balance Sheet; the Balance Sheet, of course, begins with where our accounts are as far as a cash position goes. So, we have the checking and savings account; we save money for various reasons. One is that we have funds that are committed

for projects, we have funds that are restricted as part of gaming revenue law, then we have a new revenue stream called ARPA which is the \$4 M we got from the County, and finally the regular savings account, which is unrestricted funds available for grantmaking.

If you go down a little bit, you'll see our Assets, which are basically all Notes. So, these are all the loans that we have made, and these are all the groups that we have made them to along with the amounts to each. The very last Note is the Reserve for Uncollectable Notes and that is a standard accounting procedure just to make sure that we have a reserve in case that we lose or if any of these default. Now, that has never happened to date, so we are very happy about that. I'm sure it will at some point; most economic development groups that loan money eventually something goes wrong. But we are very fortunate in that it hasn't happened and there have been some great decisions made at the Board level.

Finally, the Opening Balance, our Equity, and our Unrestricted Net Assets – that compares last fiscal year to this one. It gives you an idea of where we started.

The next report is the Budget vs. Actual; I think this is a really good report for the Board to see where we are spending the dollars. This correlates with the budget that is approved at the beginning of the fiscal year. Under Contracted Services, Maher Duessel is the accounting fees, Professional Services is Parker Philips who is our communications firm and there are some other things mixed in there on occasion, Legal Services is Knox Law Firm, Website is Epic Web Studios, and Payroll Services is ECCA.

The next is Facilities & Equipment – Office equipment is things like the new computers and our Rent, which is fixed. By the way, Tammi and I were just talking to Knowledge Park because our lease is up at the end of May, so we will be bringing it back to the Board in May for a one-year renewal of the lease at Knowledge Park.

Office Administration is next with Books, Subscriptions, Dues and that is for things like the Erie Times News, we have a membership to the Chamber, we have a membership to the Nonprofit Partnership. Things like that come out of that line item. Postage is listed, then Office Supplies, which you will always see the details of later on in the Visa report, Cell Phone reimbursements for all the employees, Copier Lease, Copier Printing that might have additional printing costs. Bank Fees – I want to explain this one because we do everything over electronic transfer at this point instead of cutting checks. We do occasionally stroke a check but ever since COVID hit, we do things electronically and so we pay a monthly fee for security to do that.

Professional Development is for some continuing education. For example, Tom is doing on online conference for planning. Meeting Expenses is buying the coffee and water for our meetings. Miscellaneous is things like this month there is a charge for flowers for a funeral. Then there are Other Types of Expenses like Outreach, Advertising, Phone/IT/Fax, Insurance, and so on. Then there is the Payroll Expense section.

I want to point out the new section, which has to do with the ARPA funds. ARPA funds are divided into these categories, Contracted Services which we will be talking more about next month – we are going to start booking some contracted services next month. Tom and Tim and I are going to be talking about an RFP or an RFQ for a building analysis for the community facilities. But we will bring all of that to you next month in a package and we'll explain it and debate it.

The Salaries & Wages line item is us charging our time spent on ARPA to that bucket of money. And then Indirect Costs would be things like the office space; so, if we're spending 20% of our time on ARPA, we're going to charge 20% of the office costs to the ARPA funds.

The next report is the Schedule of Grant Reserve. This schedule I think is really helpful in showing where the funds are, how much has been awarded, and how much has been drawn down, especially in multi-drawdown grants. At the top, you'll see where the

revenue comes in quarterly, and you'll see a separate line item for Interactive Gaming Revenue. I want to talk about this for a minute because that is a one-time separate line item because there was some type of accounting error at the State, and they rectified it by sending us that \$1.9 M. In the future you will not see interactive gaming revenue separated out; it will come in with the slot machine revenue. We are unable to separate it out based on the way that the County does the accounting. Then finally you will see Disbursements; Income and Disbursements are by quarter, highlighting the month of March.

The first thing you will always see under Disbursements Detail is the Settlement Municipalities, how much we have given to them, followed by Multi-Municipal Collaboration, and then all the other categories. So, you'll be able to see what we did in the month of March and what we have done year-to-date. On one of the last pages you'll see an example under the Youth & Education bucket. You'll see that in the month of March \$22,786 was the final payment for the 2021 Summer Jobs Program and that year-to-date shows \$150,000, ending our contract with the 2021 Summer Jobs. We have begun the 2022 cycle, so that will be the next thing that will be drawn down.

Next you'll see a list of all the Committed Funds; these are all the funds that we currently have commitments to; that's why we have a reserve. You'll see the amount that has been drawn down, the amount remaining, and the original commitment. So, if you ever want to go in there and find out where we are with those programs, it is available for you. There is a new section in there for the ARPA funds. We have spent \$117 on Contracted Services, charged \$3,400 to Salaries, and \$265 to Indirect Costs.

Finally, the last report is the Check Detail. It used to be the checks that were stroked, but now it shows literally every electronic fund transfer that we do. They are all there in detail with a name, a memo, and an amount. If there is ever a question about a particular expense, it should all be highlighted and completely transparent right here. There are a lot of abbreviations, so don't hesitate to ask what they stand for. This report is always accompanied by the Visa detail. All our charges are on this one Visa statement and Tammi writes in what each expense is for. It is all alliterated right there and which bucket it's being charged to.

Are there any questions about the Treasurer's Report?

Mr. Winschel: I do have one question. (Question is inaudible).

Dr. Wood: Can people hear the question Gary is asking?

Ms. Loll: Not really.

Dr. Wood: Gary is asking about the municipal settlements and how they work. They are done quarterly; every time the gaming revenue comes in on a quarterly basis, the first thing we do is send those municipalities their amount due based on the formula we have in the settlement agreement.

Mr. Winschel: Thank you.

Mr. Sample: Perry, in that equation, doesn't Summit get 45% and everybody else get 12.5%?

Dr. Wood: Everyone else gets 11%. Summit, as the host municipality, gets a disproportionate amount.

Mr. Wachter: Gary, that's all subject to a settlement agreement from about 15 years ago, so those percentages are locked in and we don't have any discretion on them.

Mr. Winschel: Thank you.

Dr. Wood: Are there any other questions about the Treasurer's Report? If not, let me just address the fact that the Maher Duessel agreement is here. Does anyone have any questions about the Maher Duessel agreement?

Mr. Sample: Didn't we discuss going away from monthly?

Dr. Wood: We discussed moving away from quarterly reviews. And we did; we voted to end quarterly audits. This is simply the annual audit contract. If that's all the questions, thank you for your time.

Mr. Sample makes a motion to accept the Treasurer's Report as presented. Ms. Loll seconds the motion. There are no questions or discussion of the Treasurer's Report. Motion carries 6-0.

b. Strategic Planning Committee

There was no meeting held.

c. Update from County Council

Mr. Shank is not present.

d. Update from County Executive's Office

Mr. Smith is not present.

Dr. Wood: I just want to make one note. We haven't had liaison attendance. However, just so the Board knows, I am in regular contact with both Chairman Shank and Doug Smith from the County on what we're up to. When they have questions, they don't hesitate to ask us.

Ms. Loll: Perry, I'd like to see you encourage them to join us during this meeting.

Dr. Wood: Okay.

### REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: I will give a quick update. The staff has been engaged in rolling out the ARPA funds into the three categories. We have integrated it into our grants management plan, which of course is a project management approach to how we can roll out all of our various grant programs over a twelve-month period without a significant overlap and so that the Board can, as we like to say, compare apples to apples. We do have a round of Renaissance Block that is opening up and the first round of Multi-Municipal Collaboration. If you remember, we have that divided into twice a year. And then we'll be starting to roll out the ARPA funds with entrepreneurship to start, and then we'll be working

with the Main Streets on the placemaking piece of it. But first we will be presenting you with the Professional services contracts next month, which will include things like a seminar for rural main streets that we're working on with a guy who's an expert in commercial development of these places. We will be looking at an RFP or RFQ, whatever Tim decides is the best way to go, on community facilities. We have a contract with a consultant that I want to present to you on the Inclusive Entrepreneurship piece, which specifically tackles the work that is being done right now with the other funders, which is called Erie Inclusive Recovery – a plan that we have participated in.

And then finally, we're going to get some information to you from Maher Duessel about what an audit would cost on the ARPA funds. When Tim and I did our study session on ARPA, it's clear that once you exceed certain amounts of funds disbursed, you have to submit an audit to the Feds, not to the County. We'll share it with the County if they want it, but we are actually directly responsible to the federal government. We don't know what that audit is going to look like yet, so we've actually been trying to locate some type of seminar or workshop on how to get prepared for that. Tim, do you want to chime in on that at all?

Mr. Wachter: You're right Perry, that there are certain thresholds, but those are for capital expenditures that have to be met and we'll be prepared to assist you with that once you figure out how you're going to spend the money. Then we'll design the appropriate guidelines and contract provisions.

Dr. Wood: There is also reporting that is going on to the County in the meantime, as well. Tammi is actually heading that up. How often is that?

Ms. Michali: That is quarterly.

Dr. Wood: Have we had any issues in reporting to the County to date?

Ms. Michali: No. The first submission there was nothing to report because we had only had the money for two weeks. The second one was due this past Friday.

Mr. Winschel: You're talking about this ARPA money for community facilities. What is that for, like senior centers? Can you explain that a little bit more to help me understand what those are?

Dr. Wood: We adopted a definition for community facilities that is consistent with what HUD defines as community facilities. I don't have the exact definition in front of me, but it's basically things like community centers for youth, after-school programs. Tom, do you have that in front of you by chance?

Mr. Maggio: No, I am not in the office.

Dr. Wood: No worries. We still have not figured out how we're going to admit community facilities into that concept but what I can tell you is that I have been presenting our plan to other funders in the community and we have some interest in participating with us. The Community Foundation wanted to see what we were up to. Tim, as soon as we get some type of RFP going, we're going to have them give some input on it as well. In an ideal world, they may collaborate with us on paying for those assessments of community facilities.

Are there any other questions for me? I'll wrap it up by saying one thing – you'll see it rolled out soon. We've been working diligently with the Community Foundation, Erie Insurance, the Jefferson, the Chamber, City government, and County government on something called the Erie Inclusive Recovery, which is an investment playbook for the region. It highlights 25 projects throughout Erie County that are good targets for federal funding. The next step in that process is to finalize this plan, to roll it out to the community, and then to create what we're calling a nerve center so we have some type of place that all of these entities can go to for support and advice on applying for federal funding.

All of those entities have come together; Doug Smith represents the County, Schember and Wyrosdick the City, and then the top executives from the other groups. So, it's been a really interesting place to collaborate, to have conversations about how we leverage federal funding, and make sure that we take advantage of these opportunities. There are millions of dollars every day flying at us and we're not necessarily prepared to take advantage of it.

I'll have more for you on that, especially once the document is done. I'll make sure everyone gets a copy of it. I'm very excited about what's going on there. That is being led by Bruce Katz from Drexel University. He is doing these playbooks all over the country and part of it will be him blogging about it, so we'll get some national attention. The next step after that is to go to the governor to present the playbook to go to our local delegation and have a significant government relations effort. What that looks like we don't really know yet. I'll be talking with the other partners about that.

Does any have any questions for me? I'm very excited about that stuff and that I could share it with you. If you have any questions that occur to you later, don't hesitate to follow up with me. Thank you.

Mr. Sample: Perry, just as a side, I see that Kathy Wyrosdick is moving on, so I wonder what the impact for the City of Erie will be.

Dr. Wood: Right. Yes, Kathy is taking another position, I believe in Harrisburg, but we have kept Rene Lamis in the loop on all this as well so there will be continuity of information.

#### SOLICITOR'S REPORT

Mr. Wachter: Perry had referenced putting together some RFP's. Tom has sent me an example of one that I'll start looking at. The next thing that you're going to be seeing from me is, much like when we got prepared in reviewing the ARP regulations so we can understand how to spend the money, the next thing for us is to understand what are the required provisions that need to be in any subrecipient agreements. So, that will be the next project that we put together and I see that as being the next biggest piece – the RFP. I look forward to getting that done.

#### OLD BUSINESS

- a. Renewal of 4-year contract with Maher Duessel

Mr. Sample makes a motion to renew the contract with Maher Duessel. Mr. Cleaver seconds the motion. There is no further discussion on the contract. Motion carries 6-0.

#### NEW BUSINESS

There is no new business to discuss at this time.

#### ADJOURNMENT

Ms. Sample moves to adjourn. Ms. Hess seconds the motion.