



E·C·G·R·A
ERIE COUNTY GAMING REVENUE AUTHORITY

**EXECUTIVE
DIRECTOR'S
REPORT
FOR
JANUARY
2023**



COUNTY OF ERIE

OFFICE OF THE COUNTY EXECUTIVE

Brenton Davis,
County Executive

December 7, 2022

Chairman Brian Shank, Erie County Council
County Courthouse
140 West 6th Street Rm. 114
Erie, PA 16501

Dear Chairman Shank,

Congratulations to you and your fellow Members for the passage of the 2023 Erie County Budget on November 23, 2022. I recognize the significant amount of work put in by your team and all of Council. Having received the budget ordinances on November 28, 2022, we submit vetoed items within the 10-day period referenced in Article VIII, Section 6 of the Erie County Home Rule Charter. Listed below are the action sheets ***I HEREBY VETO*** and reasons for my action. Attached are copies for your convenience.

Gaming Fund Budget

#10 - Veto \$30,000 in Gaming Funds for MECA. This organization is not up-to-date with 990 reporting, and their record of accomplishment in delivering services is poor. Other well-funded agencies, including Erie County Care Management already perform MECA's stated mission with much more efficiency.

General Fund Budget:

#28- Reduction of County Executive Travel line by \$10,000. This reduction interferes in my ability to lobby for state and federal funding, to market Erie County around the Country, to learn new and better ways to operate and network with County and Municipal Leaders. Travel is currency for bringing positive change to our region. Requiring the Administration to come back to County Council for additional funding next year is not appropriate, as it places Council in the role of arbiter over my work.

#30 – Reduction of Travel line in Economic Development by \$35,000. A majority of Council Members took the crucial step to create the Economic Development Department on May 3, 2022. In order for the Department to function effectively, it must meet with other professionals in the field, attend conferences, and visit potential businesses in an effort to promote commerce or location. Travel is currency for accomplishing our goals and upholding our promise to bring economic change to our community.

#31- Reduction of Professional Fees Line in Economic Development from \$100,000 to \$26,036. The County is in dire need of infrastructure; whether one speaks of broadband, sewer, water or transportation. In order for the Department to pursue different opportunities there must be some flexibility and ability to pivot and bring funding to bear. Council has clearly stated that it prefers two readings on all ordinances, which amounts to 30 days. Reduction of this funding

erodes our ability to react to opportunity and once again places Council as the arbiter for all Administration economic development initiatives. Any project referenced above would need a project consultant or professional. The ability to spend up to \$24,000 is reasonable for County business. Amounts exceeding that must align with the requirements of the Purchasing Code. The Department must have resources to operate effectively.

#32- Reduction of Economic Development Initiatives Line from \$100,000 to \$20,000 Restricted. This funding is vital to the ability of the Department to react and bring resources to a situation. The Purchasing Code acts as a control for expenses over \$25,000, so this line is not an open checkbook by any means. This action sheet is an overreach into the operations of an Administrative Department that requires agility. This action sheet places Part-time Council Members as defacto Cabinet Members running the Economic Development Operation.

#37- Elimination of HR Position Number #002200-010. The HR Department recently received eight applicants interested in this significant recruitment and DEI position. The County as with all large employers is in competition to fill many vacancies. In order to continue the current upward trend we need to keep our team at full complement. County Council created positions last year to improve our recruitment of a more diverse staff. The Department is delivering results in that area and in the improvement of employee culture. The position title change to generalist was done only to most efficiently use staff in all areas of the operation. The Director has aligned the titles consistent with her experience at Erie Insurance.

#39- Elimination of new Deputy Director Position in Tax Revenue. Erie County is one of only a few counties in the Commonwealth without a Deputy in Tax Claim. This operation successfully collects and processes hundreds of millions of dollars each year without incident. It is essential in terms of succession and continuation of operations in the case of any adverse circumstance. The Department is utilizing brand new software that will bring new responsibilities and work into the office. There has been a trend of smaller municipalities turning over tax collecting duties due to lack of qualified candidates. To accommodate this trend the Department needs a second managerial position.

#45-Elimination of IT Position Number #002812-005. This position will serve the Department of Human Services specifically. The position is 80% funded by State dollars. DHS has the remaining 20%, so they do not need additional County funds. The IT operations in DHS are very significant and this position brings with it a new set of duties important to the operation.

American Rescue Plan Fund Budget

#5 - \$750,000 to the Savocchio Park project administered by the Erie County Redevelopment Authority. This speculative investment of \$750,000 in ARPA funds does not show a significant return on investment. To allocate such a large portion of the County's ARPA dollars into a fish farm that may only yield a dozen jobs is imprudent. I have the utmost confidence in the work of the ECRDA and their partners but in the final analysis, these valuable funds could be more impactful elsewhere.

#6- \$3,000,000 to ECGRA for Building Better Future Program. I have been negotiating in good faith all year to reach an ARPA Budget through your committee and the whole of Council. This action removes the County's ability to make its own funding decisions, which was at the heart of my objections to the 2022 ARPA Budget. This was also decided very quickly and without much debate. The Gaming Authority received \$4M 2021 ARPA Funds that is sufficient. I believe real economic impact comes through the expenditure of ARP monies on allowable infrastructure projects. In order to coordinate our efforts most efficiently, the County should make the final spending decisions not a third party. There is no need to rush this money out of the ARPA Fund Balance.

#13- \$737,500 for ECGRA to fund the Beehive Network. I agree 100% that the Beehive Network should receive these funds, but see no need for ECGRA to administer them. I favor giving the funds to the Beehive directly. The four universities have worked cooperatively to grow the Beehive. The County can negotiate an agreement with Beehive members and administer these funds without issue. I brought this idea to Council with my ARPA budget proposal. Let us work directly with the Beehive.

Summary

The restoration of these vital funds to General Fund will require the transfer of \$436,166 in Unassigned Fund Balance as required by the Home Rule Charter. The County General Fund is on pace to have another positive year. There has been a steady cash increase since January and more cash in bank this year than this time last year. Erie County's Audited Annual Comprehensive Financial Reports show a yearly increase in the Unassigned General Fund Balance.

These facts stand against suggestions that County expenditures are outpacing revenues. Erie County is financially healthy and any interpretation to the contrary is simply not factual. I therefore respectfully request your support in allowing these vetoes to stand unchallenged.

Regards,



Brenton Davis
Erie County Executive

Cc: Members of Erie County Council; Douglas Smith- DOA; Solicitor William Speros; Paul Lichtenwalter-Finance Director; Amy Swartzfager-CPA; Solicitor Tom Talarico; Solicitor Jay Stranahan

AGENDA

Erie County Council

View More at
www.eriecountypa.gov

Public is invited to attend.



Brian Shank, Chairman
Mary Rennie, Vice Chairwoman
Charlie Bayle
André R. Horton
Ellen Schauerman
Terry M. Scutella
Jim Winarski

Erie County Courthouse
140 W 6th Street, Room 117
Erie, PA 16501

SPECIAL MEETING

Thursday, December 15, 2022

View Live: <https://www.youtube.com/c/eriecountypa>

1. **PLEDGE OF ALLEGIANCE**
2. **OPTIONAL PRAYER OR INVOCATION**
3. **ROLL CALL**
4. **HEARING OF THE PUBLIC**
 - A. Bruce Kern
 - B. Tina Mengine
 - C. Laura Eaton
 - D. Carl Anderson
 - E. Perry Wood
 - F. Sam Talarico
 - G. Wendy Neckers
5. **COUNTY EXECUTIVE ACTIONS FOR OVERRIDE CONSIDERATION**
 - A. Gaming Fund Veto- \$30,000 grant to MECA.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
11-23-22 vote: 7-0

- B. General Fund Veto- Reduction of County Executive Travel line by \$10,000.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
With this reduction, there will be \$15,000 budgeted. This is an increase of \$9,750 from the 2022 budget.
1/23/22 vote: 6-1(Bayle)
- C. General Fund Veto- Reduction of travel line in Community Relations & Economic Development Bureau by \$35,000.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
With this reduction, there will be \$15,000 budgeted. The Administration originally requested \$50,000 which is an increase of \$43,750 from the 2022 budget.
11/23/22 vote: 7-0
- D. General Fund Veto- Reduction of Professional Fees Line in Community Relations & Economic Development from \$100,000 to \$26,036.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
11/23/22 vote: 5-2(Bayle and Shank)
- E. General Fund Veto- Reduction of Economic Development Initiatives by \$80,000 and restrict \$20,000 in Community Relations & Economic Development Bureau.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
With this reduction, there will be \$20,000 budgeted. The request from the Administration was \$100,000, which is an increase of \$47,000 from the 2022 budget.
11/23/22 vote: 6-1(Bayle)
- F. General Fund Veto- Elimination of HR Position Number #002200-010.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
The position is presently vacant.
11/23/22 vote: 5-2(Scutella and Winarski)
- G. General Fund Veto- Elimination of new Deputy Director Position in Revenue/Tax Claim Office.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
The position is presently vacant.
11/23/22 vote: 7-0
- H. General Fund Veto- Elimination of IT Position Number #002812-005.
To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
The position is presently vacant.
11/23/22 vote: 7-0
- I. American Rescue Plan Fund Veto-\$750,000 to Savocchio Park project with the Erie

County Redevelopment Authority acting as the fiscal agent.

**To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
11/23/22 vote: 6-1(Bayle)**

J. American Rescue Plan Fund Veto-\$3,000,000 to Erie County Gaming Revenue Authority for Building Back Better Future Program.

**To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
11/23/22 vote: 7-0**

K. American Rescue Plan Fund Veto-\$737,500 to Erie County Gaming Revenue Authority to fund the Beehive Network.

**To override the veto, an affirmative vote of a majority plus one(5 votes) is needed.
11/23/22 vote: 7-0**

6. ADJOURNMENT

December 14, 2022

Board of Directors

To Honorable Members of Erie County Council,

Dale E. Barney
Chair

This Erie County Council is facing a defining moment. In the days ahead, it will decide whether it made the right decision when it voted to approve a budget containing a well-deliberated mix of funding two weeks ago. Now, you'll have to decide whether to change course under political pressure from the County Executive when - as far as I can see - nothing has changed.

Dominic D. DiPaolo
Vice-chair

Whitey Cleaver
Treasurer

On December 7th, the County Executive vetoed several line-items negotiated and effectively compromised County Council's budget plan, which thoughtfully considered many organizations and citizens in several public hearings. Two of those items placed ARPA dollars in the capable hands of the Erie County Gaming Revenue Authority (ECGRA) for the purposes of municipal infrastructure, small business development, and maintenance on community facilities.

Perry N. Wood
Secretary

Kelly S. Hess

Carol Loll

The justification: the County Executive's new economic development department should hand out the funding. The problem: the County Executive's plan disregards the fact that ECGRA was created in 2008 by County government for this express purpose.

David S. Sample

Gary J. Winschel

Douglas Smith
Ex-officio

This approach creates an expensive duplication of services wasting ARPA dollars that could be invested in communities and thereby slowing the progress of these local projects. ECGRA is a county asset, not a competitor or third-party vendor, as asserted in the veto message. ECGRA has well-tested infrastructure to effectively distribute ARPA funds within the guidelines right away to the communities that need it the most. ECGRA is a county authority, a legal appendage of county government, appointed by County Council - its charter breathed into life by County ordinance and its board appointed by elected officials.

Perry N. Wood
Executive Director

The infrastructure for grantmaking at this level was purposely established outside the courthouse, through an authority, to depoliticize the process. ECGRA has built a grant writing application process that reacts to planning, community support, matching funds, and studies based on data. Local leaders have touted the model over the years because of the results. ECGRA has invested in every community in Erie County and made those investments count. Ten years into this grand experiment, we all know that **ECGRA works.**

Although I was an early critic of ECGRA, I now consider myself an advocate. When I was serving on County Council, I voted to support the creation of the Authority. Initially, I regretted my decision when the Authority became entangled in legal challenges. However, that cloud lifted years ago. After serving on the Board, I can attest that ECGRA has a sterling reputation amongst both urban and rural areas, nonprofits and municipal governments, local and state leaders – and it's earned it!

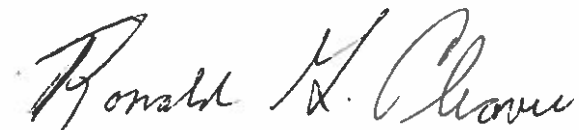
While duplication of government services is reason enough for the County Council to stick to its decision, our communities are counting on us to help them through the ARPA process and ECGRA is well-positioned to do this right now. Small and large communities across Erie County are familiar with the ECGRA process – the County Executive’s plan would cause these communities to engage in an unnecessary learning curve to access funding. ARPA adds a layer of regulation that requires strict adherence to guidelines – guidelines already integrated in the ECGRA distribution/reporting process. ECGRA’s transparency and attention to the federal guidelines during the first round of ARPA grants is what gives people confidence that our funding was being used properly and that our communities would not be at risk of losing any funding that didn’t fit within the ARPA guidelines.

ECGRA has been a partner – listening to our communities and responding to their needs. It effectively invested millions into Erie County main streets, small businesses, building renovations, joint sewer, and water projects, and most recently a rural broadband study. This summer, the ECGRA staff crisscrossed Erie County talking with boroughs and townships about their critical infrastructure needs and aspirational competitive projects. Most of the three million in ARPA dollars being vetoed by the administration were slated to meet those needs.

I encourage County Council to assert its role as the balancing arm of county government and weigh the good of the people over the good of the politician. While, I don’t doubt the intention of the County, this work has been underway for more than a year and moving the funding would be unintentionally punitive to our communities.

At this point the decision is in County Council’s hands to decide. If the county moves this funding to a new department, it will require building infrastructure that doesn’t exist - an unnecessary duplication of services that would cost taxpayers. Should the county utilize one time grant dollars from the federal government to build a new agency within the Courthouse? Or shall we invest prudently in an existing appendage of County government with a proven track record?

Sincerely,

A handwritten signature in black ink, reading "Ronald G. Cleaver". The signature is written in a cursive style with a large, stylized initial "R".

Ronald G. "Whitey" Cleaver



**Inclusive Entrepreneurship Delivery Team Meeting
Monday, January 9, 2023**

*11:00 a.m.-12:30 p.m.
ERCGP Small Conference Room*

- 1. Welcome/Overview**
- 2. Problem Statement**
 - a. Review of Major Issues Raised (Discussion)**
 - i. Outreach/Connection to ED System & Tools
 - ii. Financing
 - iii. Financial Literacy
 - iv. Business Planning
 - v. Start-Ups vs. Existing
 - vi. Grant Funding
 - vii. Technical Assistance
 - viii. Other
 - b. Priority Areas of Focus (Discussion)**
- 3. Concept Definition**
- 4. Other Team Members (*Large Group/Working Group*)**
- 5. Meeting Schedule**
- 6. Next Steps**
- 7. Adjournment**

Inclusive Entrepreneurship

Background Information

Delivery Team Members

Infinite Erie, led by the Action Team, is supported by a series of delivery teams who lend crucial expertise on some of the most pressing challenges in the Erie Area. The Inclusive Entrepreneurship Delivery Team is made up of representatives from several organizations, all working in unique ways to invest in the the entrepreneurial success of all of Erie's residents.

This delivery team currently include representatives from:

- PennWest Edinboro
- Gannon University
- Mercyhurst University
- Bridgeway Capital
- Erie Regional Chamber & Growth Partnership
- Greater Erie Economic Development Corporation (GEEDC)
- Penn State University
- City of Erie
- Erie County Public Library
- The Erie Community Foundation
- Erie County Gaming & Revenue Authority (ECGRA)
- Erie's Black Wall Street
- Ben Franklin Technology Partners
- Erie County Redevelopment Authority (ECRDA)
- Diverse Erie
- Paramount Pursuits
- Impact Corry

Please note that these teams are meant to grow and evolve with the work of Infinite Erie; this list is not meant to be exhaustive.



Knox McLaughlin Gornall & Sennett, P.C.
120 West Tenth Street | Erie, Pennsylvania 16501-1461
814-459-2800 | 814-453-4530 fax | www.kmgslaw.com

NOTICE

FROM: Tim Wachter, Esquire

DATE: December 21, 2022

2023 Bidding Thresholds

The 2023 bidding thresholds for local government agencies were published in the December 10, 2022 Pennsylvania Bulletin. Effective January 1, 2023, the bidding thresholds are as follows:

\$0 - \$12,199	No quotes or bidding required
\$12,200 - \$22,499	Three telephonic or written quotes required
\$22,500 and above	Formal, public bidding required

Please feel free to contact me should you have any questions.

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December 2022

Meeting with Executive Director
Ongoing Social Media Management
Ongoing Consulting
December Comms

IMPLEMENTED

28 Total December posts
27 Total graphics created
Talking Points:
 County Council meeting
Press release and distribution:
 Lead Assets

IN PROGRESS | 2022 Grant Releases and Graphics

Holiday Graphics

IN PLANNING

Parks Fields & Trails 2 Year Report
ECGRA Playbook
Roadshow Tours