



## **Erie County Gaming Revenue Authority**

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

**October 18, 2018**

#### **CALL TO ORDER**

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on October 18, 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. Bagnoni, Mr. Barney, Mr. DiPaolo, Mr. Logue, Mr. Paris, Mr. Peters, and Mr. Sample. Mr. Lee, Mr. Wachter, and Dr. Wood are also present.

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

Mr. Sample makes a motion to approve the agenda as presented. Mr. Barney seconds the motion. Motion carries 7-0.

#### **APPROVAL OF MINUTES** – September 2018

Mr. Barney makes a motion to approve the minutes as presented. Mr. Sample seconds the motion. Motion carries 7-0.

#### **DIRECTOR'S COMMENTS**

Mr. Logue: Mr. Chairman, I do. Obviously, during our finance meeting it was brought up by Mr. DiPaolo with respect to the GECAC dinner or the sponsorships of different organizations. I know Miss Tammi repeatedly comes to Board members asking if they wish to attend these gatherings and that free tickets are available. I'm sure our Solicitor understands, with respect to our Financial Interest Form – I forget what Block Number if it's 9 or 10 – indicated that gifts, and I believe that tickets are a gift; once you get \$250, you need to report this. You do that, so be it; that's fine but there is a limit.

However, I think, I'm assuming and maybe one should never assume but I imagine everybody on this Board could probably afford to buy their own tickets without the benefit of getting a free ticket. What I suggest, and I'm not asking anybody to vote on this today, this is just a thought, I would just say that with all these tickets that are floating around free, why don't we donate those tickets to different organizations and different centers around town. We have those students who worked through that job process – why don't we reward some of those students that did a good job and had

their employers talk highly about them, give them a ticket. Maybe some of them will see how a government works and they might want to get further involved; let's give the tickets away.

Coming to these Board members who, again hopefully can afford their own tickets, I don't think we need to keep those tickets. I think the presumption under the view and the narrative that some people might have out there; I know one gentleman who goes through the financial statements of ECGRA who has called me a couple of times and I have not called him back, but I know that he looks at this type of thing. So, I think it would maybe be in our best interest to maybe give these tickets away. That's all. Thank you.

### COMMENTS BY THE CHAIR

Mr. Paris: I have nothing to say this morning.

### PUBLIC COMMENT

There is no public comment.

### PRESENTATIONS

There are no presentations.

### COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Barney: Good morning everyone; it's good to see you. I'm not going to belabor the point and want to make this as smooth as possible. Everyone has the Treasurer's Report in front of them hopefully. We'll start with the Profit & Loss Statement – under Income and Expenses, there is nothing out of the ordinary. You'll notice under Interest Income for The Progress Fund there is nothing listed there because it came in on October 1<sup>st</sup>, so it will be listed in next month's report.

If we go down to the middle of the page, and we're halfway through the year, if you notice our Year-To-Date \$197,370.81, for the budgeted we're \$35,000 under budget at that point. As we proceed farther down to Pilot Project at \$39,500, that is the funding of the Choose Erie project. Right above that under Small Business Financing, the \$3 million, I want to let you know that \$200,000 of that is for the International Institute in the form of a grant, \$2.5 million of that is to Bridgeway Capital in the form of a loan, and \$300,000 of that is to Bridgeway for a grant accelerator program. Any questions on that page?

The next page is the Balance Sheet; everything is real basic except for the one thing that I would like to bring to your attention. Under Notes Receivable, BWC 2 at \$2.5 million is new to this page but it's the Inclusive Erie program for minority-owned business. Any questions pertaining to the Balance Sheet?

Mr. Wachter: Mr. Treasurer, if I could just note that that loan has closed with Bridgeway Capital from the prior Mission Related Investments. Those are all closed at this point with the exception of Blue Highway where there have been some questions on their end. That's the last one we are waiting to close on.

Mr. Barney: Any questions on that? If not, the Statement of Cash Flows is basically the cash at the end of the period. Let's go over to Budget vs. Actual. A few things to bring to your attention as we proceed down through the month of September, the rent as we mentioned last

time was not on the sheet so now you can see that it is doubled; if you were wondering why that is high, it's because it's for two months. The other one that you may be wondering about is down at the bottom we have Outreach for \$4,690; that's broken up to two entities. \$2,200 was for the upcoming anniversary video and different things that we're preparing to do and then you have Kate Philips for public information at \$2,400. Are there any questions pertaining to those expenses?

Mr. Lee: Under Other Types of Expense, the Insurance is -\$815.33.

Ms. Michali: We prepay our insurance at the beginning of the fiscal year so we're at a point where it is a credit.

Mr. Lee: Okay, thank you.

Mr. Barney: The Schedule of Grant Reserve is just identifying who has received grants. If you see under the Pilot Programs as I had mentioned before, the \$39,500 is for the digital platform that we are taking care of.

Dr. Wood: That's the partnership with Erie County government to work with the Chamber, as Dale said, on creating a digital platform for Erie Counties business recruitment efforts.

Mr. Barney: Up above that as I had mentioned on the prior sheet, there is indication of the expense to the International Institute for \$200,000 and the \$2,800,000 to Bridgeway Capital for the accelerator. You'll also see under Youth & Education that we're paying off the Summer Jobs program by \$37,000; I think we have one more installment for them to drawdown on. Any questions?

Next is the Check Detail Report – are there any questions pertaining to the Check Detail? They are all listed there and then when we go to the next sheet there is only travel and legal indicated on Perry's card as well as phone and fax.

That concludes my report. Are there any questions pertaining to anything on any page?

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

- b. Strategic Planning Committee: Mr. Paris: There was no meeting so there is nothing to report.
- c. Update from County Council: Dr. Foust is not present.
- d. Update from County Executive's Office: Mr. Lee: Thank you, Mr. Chairman. I have two comments today. The first one is that I want to give everyone an update that the Summer Jobs & More wrap-up forum will be November 2<sup>nd</sup> at the Library from 9:30am – 11:00am. This will be hosted by GECAC and they will have Keystone Research present their report. Everyone is invited and that, again, is Friday, November 2<sup>nd</sup> from 9:30am – 11am. You will have an opportunity to hear first-hand some of the highlights of the program and get an update from a reporting standpoint.

Secondly, in reference to, and I was sharing this with Mr. Wood earlier this week, I was reading in the newspaper in reference to the International Institute of Erie and their Microenterprise Fund. As you know, ECGRA gave a \$200,000 grant to this organization and

then this organization makes loans. In the article, they were inter-transposing loan with grant. I am out in the region constantly and the perception from some individuals is that immigrants and refugees are receiving grants from the government to start their businesses. Well, this plays right into that, which is false information. These are loans that are given out and it is really important that everyone on the Board be aware of that in case someone asks, "Hey, are you guys making grants to small businesses for individuals that are immigrants or individuals that are refugees?" The answer is no. We give a grant to the organization, but the organization provides loans to these individuals.

It was stated in the article that none of the loans were in default, which is really good, by the International Institute and they pay them on average within three months. I think it's really important just to clarify that these are loans for individuals that would like to start a business or expand their business. Thank you.

Dr. Wood: Another talking point, if you're asked of the public, is some folks reacted to that article by asking, "How many loans are available for other businesses", or as they misguidingly asked, "for American-owned businesses?" because these refugees are new Americans. But the answer to that is there has been \$25 million worth of investment in the small business community. There are ample funds available and if you ever run into somebody who needs access to a small business loan, either direct them our way, direct them to the Ignite Erie page on our website, and we would be more than happy to put them in contact with Bridgeway Capital, The Progress Fund, Enterprise Development Fund, 1855 Capital, Ben Franklin Technology Partners, and now the International Institute. That would be the six entities in our portfolio for small business lending. Thank you for bringing that up.

Mr. DiPaolo: I have a comment. Mr. Lee, I took it the same way after I read that article and in our Check Detail Report we have it listed as a grant. That's the way you list it.

Mr. Barney: We grant to the International Institute but not to the little entities.

Mr. Sample: Then they make the loans.

Mr. Barney: The grantees that go to the International Institute, they're getting a loan.

Mr. DiPaolo: Okay, so it's a grant to them . . .

Mr. Barney: Grant to the International Institute.

Mr. Wachter: Mr. DiPaolo, it's designed similar to how we do the Ben Franklin where it's a grant and the concept is for them to loan it out and as they get it back, it goes back into the bucket to do it again. So, it's the revolving loan fund that is being created.

Mr. DiPaolo: Thanks for the clarification.

## REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: Good morning, everyone. In your Executive Director's Report, the first thing you'll see is an agenda for a Renaissance Block roundtable which took place on October 9<sup>th</sup>. Ridge Policy Group set up a meeting with Rick Villelo, the Deputy Secretary of Community Affairs

and Development through the DCED to come up and learn more about what we're doing with neighborhoods and communities. We had a roundtable discussion with him, as well as Kim Thomas, the director of the Northwest PA regional DCED office. We showcased two Renaissance Block programs in that roundtable; first was Anna Frantz presenting for Our West Bayfront and the second was Pat Gehrlein, the Borough of North East's manager presenting on his activities.

We showcased the Mission Main Street program, the Anchor Building program, as well as the Renaissance Block program. We talked extensively and then had a roundtable discussion in which all Renaissance Block recipients were able to talk with each other, as well as the Deputy Secretary, about how the program is progressing.

I think it's really important that we do these meetings, not only amongst our grant recipients so that they can learn from one another, but also with leaders at the County and State level in order to showcase the success of these programs.

I can tell you that the Deputy Secretary was very impressed with what we've done, and his reaction was a request to find a way to better align with the funding at the State level. I think that is a great request. That, in essence, is a vote of confidence that they like what we're doing and would like to be a part of their funding as well as have them be a part of our funding.

I am going to be following up with Kim Thomas to find out when the Keystone Communities grant, that would be their equivalent, comes out in 2019. They don't know exactly when it will be coming out but as soon as they know, we're going to be talking about alignment. So, I may be coming back to this Board and discuss relaunching Renaissance Block in alignment with Keystone Communities so that we can have State and County alignment on these great projects.

Mr. Peters: Perry, when you say alignment do you mean similar criteria for applicants, similar timing for when . . .

Dr. Wood: I think both of those things will be part of the discussion which would be how could we best have the programs complement each other through the guidelines but then also can we release them around the same time so that these organizations can plan on receiving funding from both sources.

Mr. Peters: I think that is a great idea as we all start talking about and learning about the capital stack for one of these projects; having it all align makes a lot of sense to me, so I applaud that effort and appreciate the State's willingness to work with us.

Mr. Wachter: Mr. Wood, as it is being contemplated, will the Renaissance Block and Anchor Building grants be able to be used as matching funds for the State Keystone and will the Keystone grant from the State be eligible to be used as matching funds for the Renaissance and the Anchor?

Dr. Wood: Short answer, yes. If I read into your question, I think the implication is, doesn't it make sense for them to act as matching funds.

Mr. Wachter: I think it's a phenomenal opportunity to be able to leverage local dollars to bring in State investment and if it didn't align, I was going to suggest that possibly you take a look at that policy to make sure that they can match each other.

Dr. Wood: That's a great point. So, when we bring back the next set of guidelines, that will be part of the discussion I have with Kim Thomas.

Mr. Peters: I spent some time in Harrisburg as an appointment of Ben Franklin Technology Partners, which Gov. Wolf just reappointed me to. One of the things I consistently hear from

DCED is that when Erie, as a community, works, moves, and walks in step with each other as well as with the Commonwealth, the funding opportunities would be greater. I think it's consistent with what you heard from the Deputy Secretary. I think this is an important effort to be able to grow the pools of capital that are available. Thanks again. It's really important.

Dr. Wood: Thanks to Ridge Policy Group for setting that up. I didn't even know there was a DCED Deputy Secretary for Community Affairs & Development so, it was great to get networked with him. He's the former Mayor of Lock Haven, PA so he is very in tune with, let's call it, local problem solving, especially at the neighborhood level.

His message to us was three-fold; focus on what you have control over, and certainly our neighborhoods and communities is one of the things our nonprofits are working toward. Next, was say yes to as many neighborhood ideas as you can, which I think is a good charge moving forward. And third is to put history in context; think long-term, think about the future. I think this Renaissance Block program could be a signature program that ECGRA is known for for many years in future and if we integrate it with what the State is doing, it will only strengthen it.

Mr. Peters: Perry, you mentioned that you anticipate probably bringing this back to the Board as we start talking about a relaunch; time frame that you are kicking around or you're not sure yet?

Dr. Wood: Not sure because the State hasn't decided on when their Keystone Communities will relaunch. We will have proactive discussions with them and when we know when it's going to launch, that will be a part of it.

Moving on, the report from Ridge Policy on their activities with the Healthy Partnerships for Children program; that's a program that the County Health Department is looking at going after in the 2019 fiscal year. We're pretty excited about that. Melissa Lyon has been part of those discussions.

Next, the announcement that one of the things we did between the last Board meeting and this one is we reignited the Erie Innovation Fund. We, of course, approved that funding and we made a public announcement that those funds were available for tech start-ups as well as the bringing of the Tech-Celerator program to Erie County for the first time. There are some things in the report on that.

There is a thank you letter from ServErie for our efforts; I like to put these thank you letters in there so that the Board can see that folks do appreciate what we're doing and the funding that we are providing in the community. We also made a concerted effort to market the fact that the Mission Main Street program has been updated and super-charged, as well. Grants are going from \$15,000 to now up to \$250,000.

There is also information in there about how the Multi-Municipal Collaboration grant between the City of Erie and Millcreek took the next step. The training program for the National Development council was executed and Tom actually participated in it to kind of audit it on our behalf. We're seeing a lot of good things there; we're seeing a lot of interest in economic development, which is obviously a good thing for an Economic Development Authority.

There is additional information about the Erie Innovation Fund and an update on the Innovation District mentioning the fact that they are taking their secure Erie Accelerator to the next level with our funding, as well as the Smart City concept that is available. There was a lot of public support for that, so we included that in here as well.

I'll end by saying that the other major announcement was the International Institute's Microenterprise Loan Program which we have talked a little bit about the funding side of it here today and the mechanics. But what is amazing is that it is a trailblazing program for us to get involved in and that we are the first local source of funding to make an investment in that program. We will be monitoring it closely as an MRI, and especially one that is brand new,

and working with Dylanna Grasinger and her team on the progress of how it is being rolled out. We announced it at one of the Mayor's Thursday Press Conferences.

Mr. Peters: I wanted to make a comment about the press conference. I wasn't able to attend in person, but I did watch it online. Going back to the funding since we are an economic development authority, it was really exciting to see the number of economic development initiatives that we have had a role in. That press conference, for anyone who didn't get the chance to see it, it's really worth taking a look at; it's all over social media but I found it on YouTube. It was really interesting. There were three of the five speakers that ECGRA had had some involvement in catalyzing their ability to move forward on some really novel approaches to funding. I'd encourage my colleagues on the Board to take a look at that press conference.

Dr. Wood: That concludes my report.

### SOLICITOR'S REPORT

Mr. Wachter: I mentioned it in the prior Finance Committee meeting but in order to go on record as to the legal recommendation with respect to Ordinance 124 from the County. The ordinance proposes to set restrictions on the utilization of gaming funds by the Authority and the ultimate recipient of those restricted funds. It has been well documented regarding the consistent legal opinion of the County solicitor, the County Council solicitor, and myself that that ordinance is preempted by the Horse Racing Development Act of the Gaming Law and that it is unenforceable. I do not recommend at this time that the Gaming Authority take any preemptive action in order to challenge that ordinance because of the general agreement regarding its unenforceability and that we just let it go until such time as someone tries to enforce it and it would impact your operations.

However, while that is the legal recommendation from a policy standpoint, Mr. Wood has outlined the steps and the recommendations that the Authority should take in order to align programmatically with the wishes of the majority of County Council and may be able to achieve their goals in a manner that is enforceable that is under the direct discretion and control of this Board.

Dr. Wood: Thank you, Atty. Wachter. As he mentioned, strictly viewing this with a legal lens we have the solicitor's opinion. However, in the spirit of cooperation with ongoing communication with County Council, I want to stress that this is the absolute top priority of the staff at ECGRA. Thank you.

Mr. Wachter: I have nothing further.

### OLD BUSINESS

Dr. Wood: We reviewed some language for a proposed Tax Delinquency Policy that the solicitor and I have collaborated on and we have heard some feedback from some members of the Board as to what that policy might look like. If the solicitor will read the language and then we will accept a motion from the Board.

Mr. Wachter: The intention is that this would be added as a check box to the grant guidelines for any grant issued by the Erie County Gaming Revenue Authority in the guidelines issued where the applicant would have to certify to the truth of the statement, and it will state,

“The applicant shall not be delinquent on any County, local, or school district taxes or payment on payment of any mandated worker’s compensation, employment or other required employee-related insurances.”

It is the expectation of the implementation of the enforcement of this policy that it would be a self-certification by the grant applicant that they are in compliance with that standard and the staff at the Erie County Gaming Revenue Authority will go the extra step to check the County tax data base, the County property tax data base, to ensure compliance that the individual entity is not delinquent in the payment of any local taxes.

Mr. Paris: Can I have a motion?

Mr. DiPaolo: I make a motion to accept what Tim just explained.

Mr. Bagnoni seconds the motion.

Mr. Paris: Is there any further discussion?

Motion carries 7-0.

Mr. Bagnoni: I have a question; it’s about the Ridge Policy Group. How much have they brought in – numbers? I see all this stuff here, but I see no numbers for what they have produced in Erie County. That’s what I’m interested in.

Dr. Wood: There is a packet of information in front of you of Ridge Policy Group activities. I think there are a couple of ways to look at this; there is the raw numbers so let’s talk about the raw numbers of the Ridge Policy Group under its tenure. In August 2017, \$200,000 came in through an ARC grant at the time that Ridge Policy Group was marketing Erie County to the ARC Fund. In October 2017, \$1 million came in through the Economic Development Administration through their regional innovation strategies at the time that Ridge Policy was marketing Erie County and this, specifically, Ignite Erie, to the Economic Development Administration of Erie County.

Ridge Policy Group has also assisted the Millcreek Township School District in receiving tax credits through their endowment. The rest of the activity is proactive activity in researching grants available and making those grants known not only to the City but the County Departments and entities and those have been organized into five key areas:

1. Youth & Education Training – we have been working extensively with GECAC on the idea of Youth Build. A couple of weeks ago, they decided not to go through with the Youth Build program after several weeks of working with them. However, we are pursuing Summer Jobs funding in January 2019 to be supportive of the Youth & Education Training Taskforce.
2. Neighborhoods Taskforce – we have been unable to find state and federal funds until this meeting with Rick Villelo that would complement what we’re doing with Renaissance Block and Anchor Building. I’m very excited to move forward with aligning our grant guidelines with the state’s Keystone Communities Program as a result.
3. Blue Zones – this is work we’re doing with the state Health Department; it is a work in progress because it is a multi-sector, multi-hospital collaboration program. I would say we need to be just as patient with it as we have been with Ignite Erie and the universities. Certainly, the Health Department grant that we are currently pursuing is the Healthy Partnerships concept which comes out in 2019.

4. Transportation Funding – the City is interested in pursuing federal transportation funds; there needs to be a transportation bill as a part of that. They were not prepared to go after transportation funding, formerly known as the Tiger Grant, but it has a new acronym under the Trump administration. The general idea is that they want to pursue those funds but weren't ready to do it in 2018. It is a planning problem; they are working on it and we have talked to the planning director regularly about the progress.
5. Entrepreneurship & Innovation – this is where we've had the most success with marketing to ARC and the Economic Development Administration, as well as communicating with the federal government about Opportunity Zones, which are going to be one of the most important things that Erie County can benefit from.

We have also had some discussion with the state about Broadband funding; currently the federal broadband funding flows to the state through the FCC and then the state basically has a broadband coordination office. The County Executive asked us to look into that, and we did, but what we found there since the FCC is handling it, we really need to work directly with private companies on that. So, we put that one on the back burner and supplied the County Executive and her office with that information.

Mr. Wachter: Mr. Wood, the Tiger Grant is now known as the BUILD Grant, Better Utilizing Investments to Leverage Development.

Dr. Wood: Part of the packet you have in front of you, these are activity reports since January 2018 and there is a summary report on top with submitted grant applications and grant funding that will tell you that we looked at 35 opportunities, we've had at least 20 meetings involving stakeholders, and we've built up our government relations at both the state, federal, and regional level.

Mr. Bagnoni: I guess my question is this, how many of these did Ridge Group bring forward that we did not know about and how instrumental were they in the securing of these funds? These organizations could apply for these funds by themselves.

Mr. Sample: If they are aware of them. That was Ridge's deal was to make them aware of them. That's when we met with the County Executive that hopefully through this process Ridge would give us the capability for state and federal funding that the County or the City or whoever was not aware of before.

Mr. Bagnoni: I understand that, David. My question is, how do I know that?

Dr. Wood: I can tell you one thing and that is that through the task forces that have been set up, the liaison or the communication system with both the City and the County level has improved tremendously. I can tell you that the folks running those departments are very busy running those departments and have not been able to do a lot of research into these grant areas; so, they have been very appreciative, and they believe that this is creating value for them in their departments.

Mr. Wachter: Mr. Bagnoni, would it be helpful to see some review of grants received prior to their involvement in the City and County with these programs versus grants received after their involvement? Would that be some kind of corollary you could look at?

Mr. Bagnoni: It would be. I still don't see us investing in this and what it's doing for the community. We're investing a lot of money in Ridge Policy Group; probably more than we do for any other thing. My question is, how many dollars are we getting for it?

Mr. Wachter: Mr. Wood reported \$1.2 million worth of grant funding that came in.

Mr. Bagnoni: It didn't say that Ridge was instrumental in getting it, that's my point.

Mr. Wachter: Unfortunately, in that world, the reality is that the money doesn't get tied with an asterisk that states "due to the work of . . . "

Mr. Bagnoni: I understand. It might be better if you were to say to me, "Here is a project, we took it to Ridge, Ridge went to bat for us, and now we got the money. We didn't have it before, but now we have it." But that's not what we're saying; we're just throwing these things up saying, "Ok, Ridge Policy Group was involved, and they got the money."

Mr. Wachter: Given that the Erie Innovation District was the entity that ultimately was granted that money, is that something that, Perry, you could ask the question for maybe a statement from the Erie Innovation District that could qualify that question as to whether Ridge Policy Group was instrumental?

Dr. Wood: I can ask, but will that really answer your question?

Mr. DiPaolo: I think the bottom line of what David is asking is, "What did they bring to ECGRA? What did ECGRA get in your bank account from the Ridge Policy Group for \$4,000/month?"

Dr. Wood: The goal isn't to increase ECGRA's bank account; the goal is to . . .

Mr. DiPaolo: . . . help every other organization but ours, but we pay for it.

Mr. Peters: If I could, as a Board member, address this. I've said this before at multiple meetings, the goal of having a policy advisement group out there is to help us leverage our funds. So, we have our pot of money and it's not enough; we want these organizations that are doing this good work – we are a funder of funding units; we typically fund people that are out there funding activity. If we can leverage our dollars, if we can use someone like Ridge to help those dollars double or triple or quadruple because of their contacts within DC and Harrisburg, I think that's the goal. My goal, and I can't speak for anyone else, my goal was not to increase ECGRA's balance sheet. My goal was not to create more programmatic efforts for ECGRA and for ECGRA to go into the business of doing these activities. My goal was to have an organization that could help us find opportunities, and even if we know about the opportunities to David's point, help us secure them. These are all competitive; the Appalachian Regional Commission for anybody who has followed this or has worked in this world, it's competitive to get those funds. So, if we have someone out there pushing the legislators, pushing the bureaucrats within those organizations, and in some cases putting a stamp of approval on us by saying, "Look at all these innovative and great things that ECGRA is doing and the folks that they're funding," then that is accomplishing what I wanted to accomplish.

Others may have different opinions but mine was not about growing the size of ECGRA; mine was about helping those in the community that need that help. In addition, we as an economic development authority, can do this type of activity. It's very hard for the City or the County to do these types of activities directly. That was my goal and I hoped I explained that well enough.

Mr. Lee: I would like to speak on behalf of the County; I can't speak on behalf of any other organization. First of all, thank you for the report; this is very helpful because we hear about different things but it's another situation when you can go back and see what activity has transpired. This is very helpful, at least from my perspective.

From the County's perspective, our resources are extremely limited. We do not have, in many cases, the knowledge, the experience, and the expertise to carry out some of these grants, even just the research; really, we do not. The administration has been asking, since the inception of us coming into office, County Council for an individual that would just help us with grants and would help us to apply. That has not come to fruition and it doesn't appear that it will come to fruition any time soon.

Therefore, we have had the opportunity to utilize the Ridge Policy Group to do just that; to go out there, to research and identify some grant opportunities. They are working with our Health Department, as Mr. Wood mentioned, in reference to the Blue Zones which is a very important initiative for the region as well as some of the other health initiatives that we value for our citizens. That's one.

Second, in relationship to the Summer Jobs program; we have always looked at the County's money as well as ECGRA money as money that we wanted to leverage but we never had the opportunity to have someone research what types of grants are available and how we would go about leveraging that. They have brought to us two opportunities in particular that they are going to be working, as Mr. Wood said, at the beginning of 2019 to help us through that process.

I can tell you right now that in working for 13 years in state government, it is a maze to try to get through all these various programs and try to find out what's happening. Too many times in Erie County, at least in my experience, we come to the table after the fact as opposed to before the fact. From our aspect, this has been valuable as far as being proactive, letting us know what grants are available, and giving us the type of assistance we have needed to apply for these grants. We look at it as an investment; we look at it as it is going to take time to come to full fruition for the County, but we do value the relationship.

We also value that ECGRA has opened this up to the entire County; that was very important when a few months ago it came to County Council and they talked all about this and Mr. Wood said he would open up Ridge Policy for the entire County. That we see happening on our behalf. Thank you.

Mr. Bagnoni: Gary, that's very interesting and I appreciate your input because it's more enlightening than anything I've heard so far. It's like when I pay for a phone from Verizon and I pay so much a month and I know what I get; this is a little more ambiguous. I'm not seeing the product. What Gary said has more substance than anything else I've heard or seen. At least he's in a position to say how they are helping.

This is going to come up to another vote. How long did we say we were going to give them?

Mr. Wachter: I would have to go back and look.

Mr. DiPaolo: Sixty days.

Mr. Bagnoni: And that was when?

Mr. DiPaolo: Ninety days ago. Just one more thing; under Title IV of the Contents and Portions of ECGRA and Erie County, municipal grants can be used for the cost of Human Services, infrastructure improvements, facilities and emergency services, and public safety. Where would that \$4,000/month fall under? As an expense?

Mr. Wachter: When you said Title IV, that's the Horse Racing Development Act that you're reading, I believe it's Section 1503 CV iii or whatever, but what it says is that the gaming revenue is to be used for municipal grants and at such point as any money may be left over after those municipal grants at the end of the fiscal year, that money is unrestricted then for utilization by the Erie County Gaming Revenue Authority or the Economic Development Financing Authority that was created to distribute those grants.

In Erie County when this first started, there was a series of lawsuits that resulted in a settlement agreement between all the contiguous municipalities that were due those grants in which they were claiming that they weren't getting enough money and didn't like where it was going. So, the settlement agreement that came between all those parties was that there was a mandated percentage payment that comes out of the funds every quarter that the gaming authority gets money.

In this particular case, and I can pull up the settlement agreement right here, I believe it's 25% of the gross amount of the restricted gaming funds received each calendar year goes directly to those municipalities to serve as the municipal grants; 45% to Summit Township, 11% to Erie County, 11% to Greene Township, 11% to McKean Township, 11% to Millcreek Township, and 11% to Waterford Township. Those percentages are of the 25% that go out. Those checks are cut like the rent at the Gaming Authority and they are sent out with a notice to each one of the municipalities stating that these are the municipal grants, this is the manner in which it has been determined these grants would go out and that their utilization of the grant is required to follow the terms of that section of the Horse Racing and Gaming Development Act.

However, because it is mandated by virtue of the settlement agreement, the gaming authority doesn't audit whether they're using the monies that way because you're obligated to send them money. So, the remainder of those funds then, the other \$40 million that the Gaming Authority has invested over the last 10 years, you're always spending old money; you're always spending money that comes after that expires through that first fiscal year, so it is no longer required to be spent specifically on those municipal grants and the money you're spending is a year old and is now free of that restriction and then your spending is pursuant to the dictates of the Economic Development Financing Law.

Does that help explain?

Mr. DiPaolo: It explains, but the question is still, and I understand everyone's position here in voting the way you did in regards to the Ridge Policy Group – you're hoping that at some future date they're going to do something. And I believe for us, which they're not doing. I disagree with the fact that we're paying the \$4,000 for other people to benefit off of this and we're not getting anything.

I don't know where in the Horse Racing statute that economic development is even mentioned. I've never seen it. So, I don't even know if we're going in the right direction.

Mr. Wachter: I can show that to you directly, if you'd like.

Mr. Peters: Please do. I think that that's important to be on the record – that we are an economic development authority set up because of the Horse Racing Gaming Act. I think that's important that that is established so that everyone understands the basics of what we're doing here.

Mr. Wachter: So, it's the sentence immediately prior to the one that you had just read. It says, "Grants shall be administered by the County through its Economic Development or Redevelopment Authority in which the licensed facility is located." What Erie County Council had done is they created the Erie County Gaming Revenue Authority utilizing the Economic Development Financing Law as the organic statute that allows for economic development financing authorities to exist. If you continue reading through that paragraph, it says "Grants shall then be used to fund the cost of human services, infrastructure improvements, facilities, emergency services, health and public safety expenses associated with the licensed facility operations." We just covered that with the municipality settlements. "At the end of the fiscal year if uncommitted funds exist, the County shall pay the Economic Development or Redevelopment Authority the uncommitted funds."

So, that's the difference. We have four different terms in the law; we have the Restricted Funds, which we know are the gaming funds that the Erie County Gaming Revenue Authority receives, and that now the land bank receives, and we get those every quarter pursuant to the settlement agreement. Then we have the Unrestricted Funds which are the funds that the County utilizes that are spent for bond issues and whatever it is that you spend it on.

Mr. Lee: We just recently had taken the library because the library was part of that \$4 million but we just recently put them under the general fund. We have our own grant program now as well and as you mentioned, it is utilized for funding capacity.

Mr. Wachter: It is discretionary funding for the County in which the licensed facility is located. Those terms are well known. Then you have the Committed and Uncommitted Funds. The Committed Funds are the ones that are the first year that are designated for the municipal grants. After that, they are becoming Uncommitted as the Economic Development Financing Authority for the purpose of spending them pursuant to the powers and allowances of the Economic Development Financing Law.

In the Settlement agreement itself, it specifically dictates when those monies are to be sent in order to avoid any confusion moving forward. I wasn't involved in the actual development of the Settlement Agreement; it was before my time here at the Gaming Authority, but nonetheless, it specifically provides that all that money comes to the Gaming Authority quarterly, the Gaming Authority is then to send out that money to the municipalities within thirty days of receipt or whatever it may be, and then the Gaming Authority sits on that money until the end of that fiscal year which then allows it to be Uncommitted and allows it to be spent pursuant to the dictates of the Economic Development Financing Act.

So, that's kind of how the whole system was set up by virtue of County Council's creation of the Gaming Authority and the resulting lawsuits and Settlement Agreement.

Mr. DiPaolo: Thank you.

Mr. Sample: When we met with the County Executive, the State Representatives, County Council, ECGRA, and Ridge – the question that you posed, David, is what is Ridge bringing to the table and how are we going to utilize this – it was voiced by several people on Council that they thought the opportunity to work with Ridge, and at that point they said they had not had much interaction. That’s when Perry and everybody went to work with the County, with the City, and with everybody to open that up. A Councilman stated that they thought that Ridge could bring, and that’s going to be a question for them, could bring a lot of value to the table but it was stated that nobody there was going to ask their constituents to pay for Ridge. They appreciated the fact that we could do it, but they weren’t going to go to their people.

The problem is it is very difficult to put a value on what they’re bringing forward. Sometimes the knowledge may take a year or year and a half, but bringing those programs to the forefront gives us the opportunity. I think it has been important to, and I’ll use the phrase track them, to make sure what we are getting. I appreciate these reports but not everything is quantifiable immediately. To the point of County Council, I forget who it was, but he said, “We need Ridge, but there is no way that I’m going to ask my constituents to pay for it.” I thought, “Great. There’s finally someone who came out and said it.” County Executive Dahlkemper said she hadn’t had much interaction but she found out later the organizations below her had but they hadn’t vocalized it.

Is Ridge a good value? I believe it is but then there’s the question of how long does it take? I don’t know.

Mr. Peters: Procedurally I have a question because whenever one of my colleagues on the Authority Board says we were supposed to do something within 60 days and now it’s 90 days and we haven’t, I would just ask Mr. DiPaolo if this is something under Old Business that you would prefer we take action on in some way?

Mr. DiPaolo: I think what the understanding was when we had the vote originally, they said, “Let’s agree upon giving it 60 days and see what happens and if anything transpires within the 60 days and then we’ll look at it again.” The 60 days has gone and as far as I’m concerned, and I think a couple of other people are concerned, there was nothing there that was actually anything they did for us as opposed to somebody else but we’re paying for. So, that’s the contention that I have; I thought that we were supposed to revisit it, have another vote in 60 days, and then go from there.

Mr. Sample: To the point of “did for us or did for someone else”, and I appreciate that, but it’s the question of, when we give a grant out, it’s not coming back to us; it’s for the benefit of the entire County. Maybe that’s the way I viewed the whole thing. I never expected them to bring money to us; I just wanted them to bring opportunities to Erie County.

Mr. DiPaolo: The thing of it is is that should have been explained when we went to County Council.

Mr. Paris: I think it was.

Mr. DiPaolo: I don’t ever remember that ever being explained.

Mr. Peters: I was there, and I did say that. I don’t know if I used the exact same words that I used today but that was absolutely stated by me in public settings, including then. I don’t remember who all was at that big meeting in Council chambers, but I was there. There was a

bunch of legislators, and County Council people, and I said that. I said, "I don't look at this as something to benefit ECGRA as an organization; I look at this as something that we're bringing to the table to help the entire community."

For example, the City who in my memory has not had a planning department, but they hired Kathy Wyrosdick who we all served with on this Board for a brief period of time; she is a one person planning department in a city with nearly 100,000 people. Oftentimes, funds come into communities because of governments other than the community, whether it's the state or the fed. Within the state and the fed, there is just massive bureaucracy and the point of Ridge, in my opinion, is to help us cut through that bureaucracy.

I don't disagree – how do you quantify? It is difficult. I think one of the ways we can is that we see they're getting us meetings, we see that we're having some success with the ARC and the EDA which are really, truly competitive, these I-6 grants and the other things that you see the universities go after and you see communities go after, every other community is going for them and so to have someone help us cut through that is helpful.

It is really important to me that we take the concerns of all members seriously. If we were supposed to take action 60 days after, maybe we need to take action today. I would make a motion that we continue with Ridge Policy Group for 90 days and that we allow them to continue forward. As part of that we should continue to monitor activity on a monthly basis and we continue to address it as long as members are concerned. That's my motion.

Mr. Sample: I would second that motion.

Mr. Wachter: Mr. Chair, if I may just make one comment on the motion. Just so the members are aware, the contract with the Ridge Policy Group was negotiated as a month-to-month with a 30-day out clause.

Mr. Peters: That's where we came up with the 60 days?

Mr. Wachter: I'm just saying that 90 days is fine, or however you want to do it. But the reason you are able to do it is because when you entered into the contract with them, it was just a 30-day notice that you were out. This isn't some extension of some existing year-long or two year-long contract; it's every 30 days so you have that option.

Mr. Sample: So, at 90 days we'd have an additional 30 so the maximum exposure would be 120 days.

Mr. Wachter: Yes. I just wanted to make sure everyone was aware of how the contract works.

Mr. Bagnoni: I understand, and Gary gave me probably the best quantifiable information yet about the Ridge Group. My question is still, we're paying \$4,000/month which comes out to about \$50,000/year; what does that give us? How much work do they give us for \$50,000? Are they charging us more if they have to do additional work to get along? I don't understand the fee schedule here. What exactly are we getting for that amount of money that we're paying? That's what I'm asking.

If Gary says they're going to fight for a grant for the County, I'm all for that. But when do they start, when do they stop, and how much are they charging us? What point do they say, "You got your \$4,000 worth; we're done"? I don't see a work schedule here; if you hire somebody, you say, "You're going to be here from 8 – 5 and this is what you're going to do."

Here we're paying \$50,000/year and I don't know what they're going to do, or when they're going to do it, or how they're going to do it.

Mr. Paris: I don't see how you can have a schedule because there are always going to be new opportunities and new grants.

Mr. Bagnoni: That's my point right there.

Mr. Paris: But that's just it – you just don't know. They're working at it. We're given reports every month, they're meeting with different organizations every month, and they're working at it. As far as the fee goes, they're not going to charge us any more; it's \$4,000/month.

Mr. Bagnoni: Okay. Let's say there's a grant over here for ECGRA. They say, "Here's the grant and you can apply for that." And that's it? They're done then?

Mr. Paris: You've got to remember that these people are down in Harrisburg and they are with these people every day. They're working with them every day and they're in their ear and they're working for us and Erie County down there. That's what they're doing.

Dr. Wood: I think I understand your question which is, you're asking what are the scope of services for a specific grant. It begins with the research process. They identify the grant and they let us know about it. On our end, we communicate it to the proper entities; if we need to we do a conference call. They then market ECGRA and Erie County in general to the agency that receives the grant application. In many cases, they help write the grant application; they actually have grant-writing services. So, we can send them a draft copy.

They will also set up meetings with the bureaucracy so there is a period of time when that's possible before the door closes on communicating with those folks. A lot of times, these agencies have no idea who to call.

Mr. Bagnoni: This is my point right there, Perry. That's what I want to see. I don't want to see that they brought this to us. This is what we did, this is what they did.

Dr. Wood: Sir, I would argue that those specifics are in these monthly activity reports. I would argue that they are and if you go through them, and we've given you since January, you'll see, "set up a meeting with such-and-such", "identified the following opportunities", and then you'll see where the targets are and some of the results we shared here today.

Mr. Paris: We have a motion and a second. Is there any further discussion?

Mr. DiPaolo: I just have one further question. Mr. Peters, what do we do in 90 days if we are right in the same place we are today?

Mr. Peters: We continue these conversations. I'm never opposed to having these conversations; I think they're good.

Mr. Bagnoni: There's one other thing that I would like to see; I would like to see some input from some of the people getting these grants; a letter from them saying, "We got this with help from the Ridge Policy Group and this is how they helped us and we appreciate it."

Dr. Wood: I think that's a great idea.

Several Board members agree to that.

Mr. Sample: And in the case of City Planning, maybe Kathy Wyrosdick can come in and tell us if they were beneficial to her and what they did.

Roll call is taken. Motion carries 6-0.

Mr. Paris: I think that we should state for the record that both Gary Lee and Tony Logue had to leave before the meeting was over.

### NEW BUSINESS

There is no new business.

### ADJOURNMENT

Mr. Sample moves to adjourn.