



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

July 13, 2017

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on July 13, 2017 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.

ROLL CALL

Mr. Bagnoni (via phone), Mr. Barney, Mr. Domino, Mr. Paris, Mr. Peters, Mr. Sample, and Mr. Yaple. Mr. Breneman, Mr. Wachter, and Mr. Wood are also present.

APPROVAL OF THE AGENDA

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

APPROVAL OF MINUTES – June 2017

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

COMMENTS BY THE CHAIR

Mr. Sample: What interesting times we live in. We just keep moving forward, keep smiling, doing the best we can, as we have since the beginning and hopefully we shall persevere. It seems we go from diplomat to doormat to somewhere else. We'll just keep moving forward and doing all the good that we have and hopefully Erie County will benefit.

PUBLIC COMMENT

No public comment.

PRESENTATIONS

- a. United Way, 211 System; Del Burch and Josh Jaeger
- b. STEM Update; Ryan Bookhammer

- a. United Way, 211 System

Mr. Burch: Good morning. I'm Del Burch with United Way and this is Josh Jaeger from PA-211 Northwest. What we want to do today is talk to you for just a few minutes on 211. We do have an ask of you but it does not involve money. Hopefully that will bring a smile to your faces.

We have an objective here. Is anyone here in the room familiar with 211? It's a new service that we launched on May 23rd in Erie County, Warren, and Venango County. 211, for those of you who remember, is the HelpErie Hotline. 211 is a social service equivalent of 911. Everybody in Erie County knows to dial 911 for police, fire, and medical emergencies. We have not had the equivalent hotline to connect people to social services since the late 1990's. 211 has emerged nationally as the solution to connecting people in need to social services. You simply dial three simple numbers, 2-1-1, to be connected to a trained professional resource navigator who can listen to your needs and then direct you to the appropriate agency or agencies who can help you with your needs.

Josh, can you please pass out the information sheets?

It's very critical – that's what it is. We haven't had it in Erie County since the late 1990's and over the past 10 years or so, with Destination Erie, Emerge 2040, Erie Together, when residents are brought together to talk about the strength of this Erie County community, one of the strengths that has always been that we are wealthy in social services; a lot of non-profits, a lot of social services. But when the conversation changes to what are the weaknesses of Erie County, the weakness is there a lot of social services but nobody knows how to find them because we don't have a hotline.

211 solves that problem. It really is the next generation Erie Hotline that conforms to national standards. That's what it is and why it's important. The other reason why it is important is the 2015-2016 Erie County Community Health Improvement Plan cited the lack of essential information and referral service in Erie County as one of the overarching challenges impacting the health of Erie County residents. They can't find the help they need to be healthy and to get their lives back on track.

In one fell swoop, 211 solves that issue. United Way is funding it, but it really is an investment by the community in this critical community resource by community members who contribute to United Way. So, if you contribute to United Way, you are funding 211.

The Board has made a very strategic commitment to 211 in the funding of it. We have a three-year start-up plan and then it will continue afterwards. We are committed to making sure that all Erie County residents have easy access to social services.

Josh is going to tell you how people can access it and where the contact center is located.

Mr. Jaeger: Thank you. As Del mentioned, this is really a community project that is meant to help community members and, as such, there are many different ways in which the community can access it. Primarily, it's by dialing 211 on their telephone. They reach a call center which is located in Venango County, so the Northwest region has its own call center, and in that call center are trained resource navigators who are trained to be empathetic and deal with the problem at hand. Research shows that most people who call 211 with a human services crisis actually have more than one presenting need when they make the phone call.

For example, if their house has burned down, they don't just need shelter, they need food, they need clothing and so the resource navigators are trained to recognize these concurrent needs and to address all of those as well. What they will do is refer them to the agency closest to them geographically based on the zip code they reside in.

The driving force behind the effectiveness of this program is the database. All of the agency information in a given region is managed through a database and the database contains information on the location of the agency and the services that the agency offers. One of the challenges we have is keeping this database up-to-date and accurate and reflective of all the agency service offerings within a region. This can only truly be achieved if all of the agencies in that region have bought into the system and are actively managing their information inside the system itself.

I manage the information that is in there, but I need to connect with all of the agencies to get them log-ins into the system and actively managing their information in the system. We all know that in the non-profit sector, oftentimes funding is there and then it's not, services are there and then they disappear and so it's really crucial for all of the agencies to be active in managing their own information in this database.

Truly the quality of the referrals for the community to the services that are offered within a community is based on the quality of information that is in this database. So, it's really crucial to have all of the agencies actively managing their information.

Mr. Burch: We've been saying that our non-profits needs to remember to feed the beast; the beast is the database. I think, Chuck, with your background, you know that a lot of times it is very difficult for people to log in and feed whatever database they are supposed to be feeding. We need them to do that.

So, our ask to you today is to consider a funding stipulation for any social service non-profit seeking funding from ECGRA that they must review and update or validate the information in the 211 database at least twice a year to be eligible for ECGRA funding. The Black Family Foundation has adopted that funding stipulation, Erie Insurance Giving Network has adopted that funding stipulation, United Way obviously has adopted that funding stipulation and we're waiting to hear from your organization and ECF and we believe that ECF will be doing the same thing as well.

Sometimes you need a little carrot-on-the-stick approach to get people to do this, but it is absolutely critical. This is not a United Way program; this is a community resource that the community is investing in and we need to make sure that the non-profits understand the role that they play in feeding the database and the critical need to do that because people in crisis need to be able to find the information when they need to find the information.

Josh talked about calling 211; people in need can also log into the database on their own at any time of the day or night and look for the appropriate services as well in a multitude of ways. That website is pa211nw.org. Anybody can do that but if the information in that database is not quality information, they are going to miss resources. We believe that is essential that non-profits understand that all of the funders of Erie County are behind this community resource, they are supporting this community resource through that funding stipulation.

I do have some recommended language for you to review that you can do afterwards; but that is the ask. Again, we are not asking for funding; we're asking you to line up as a major community funder in Erie County with all the other funders and put that funding stipulation in your funding requirements.

Mr. Peters: This may be, in fact, the easiest ask I have ever heard. I guess since it doesn't involve a direct dollar ask right now, I would recommend that our executive director and our solicitor review our agreements that we have with non-profits and review the proposed language and move forward. I will take your lead if we need Board approval or recommendation, but it seems like a very smart way to support all the other funders that have bought in. I can't see why we wouldn't do it.

Mr. Barney: Who is the enforcer?

Mr. Burch: Yes. All you have to do is during your funding cycles, just email Josh and say, "Please give me the lineup of agencies who are validated in the database" and you can strike out those who haven't been with a message to them saying, "You can apply for funding the next time around. But in the interim, please make sure you update the information in the database."

Mr. Sample: I understand that the time constraints are all about dollars; are there any intentions of expanding your hours? Maybe not 24 hours a day but maybe 7am – 9pm?

Mr. Jaeger: August 1st we'll become 24 hours, but even until then there is recourse there; they just leave a message and they are contacted first thing in the morning by our resource center.

Mr. Burch: We were thinking 24/7/365 by the end of 2017. We were able to push that up to August 1st; we're very proud of that. Realizing with this funding stipulation, there may be a little bit of pain up front with agencies who aren't compliant and may not be able to get funding in that funding cycle but that's a learning lesson for them. We have been out there talking to the non-profits, working with the non-profit partnerships to spread the word and unfortunately non-profits, given the nature of the beast, are not responding as well as we thought they should. But it's absolutely essential we have updated information.

Mr. Wachter: How long does it take to put your information in?

Mr. Burch: It depends on the agency. Someone like GECAC with multiple programs, it takes them a long time. But obviously GECAC is ahead of the curve on this. Some of the smaller agencies, it will take them 10 – 15 minutes.

Mr. Breneman: I can actually speak to that. I have done it myself, representing two non-profits. We have done it within a matter of 15 – 20 minutes; the staff respond to emails and input the data online. It's a pretty simple process; the length of time depends on the detail. If you just want your listing, it's just a matter of minutes.

Mr. Sample: In the application, can't we just tell them they have to be compliant? Give them a period of time to become compliant so that . . . we wouldn't want to alienate anybody because we kicked them out because of that reason.

Mr. Peters: Why not? It takes 15 minutes. We have a funding cycle for them to enter the data.

Mr. Barney: What about from a legal standpoint? Once they become compliant and they get our money and they quit doing it, what are the ramifications? What happens?

Mr. Burch: Our suggestive language says that they must review and update or validate their information twice a year and we can see when they go in to review their information and they make changes or simply click everything is ok. We can see that.

Mr. Barney: What I'm saying is, Do we yank our money? It's already there.

Mr. Peters: We are making a mountain out of a molehill. We had Mercyhurst University not follow our rules and we didn't do anything to them. That was hundreds of thousands of dollars.

Mr. Wachter: The question of whether you need to vote for this, I think, would be as to how much of a statement do you want to make?

Mr. Wood: I just have a couple observations and questions. It seems like the Board is amenable to adopt the policy so let's get together and see what language you have in mind. From a Board standpoint, I think it would make the most sense to incorporate it into our Schedule A, which is a document that is basically the attachment to the contract when you draw down on the funds with ECGRA. So, prior to drawing down the funds we would check with you to see if that non-profit is, in essence, eligible. So, we would be adopting an eligibility requirement.

My only question to you is, here is a list of the 211 services, which is a pretty big list with a lot of stuff. I'm assuming you have done the terrain mapping and you know exactly which non-profits are on this list so we know, when that non-profit comes to us for funds, to check their eligibility. There is obviously going to be a whole slew of non-profits and municipalities that apply to us that wouldn't apply to the 211 concept.

Mr. Burch: I'm thinking of the Albion Fair. This is not relevant to them because they are not a social service agency.

Mr. Peters: That's the other piece of this. We have one little small bucket of \$150,000 a year that . . .

Mr. Wood: Although there are human service aspects to many organizations, especially the larger ones like GECAC, I wouldn't consider it solely a human services organization, right? It could be categorized multiple ways. Some of the Community Assets could be categorized multiple ways. It seems to make sense, but I think you're right Chuck. The list of ones that receive ECGRA funds will probably be pretty small.

Mr. Burch: I will email you the suggested wording and I will also email you the list of the agencies who are compliant as of today. Then you can talk internally.

We appreciate you listening to us. We appreciate the positive reaction and we look forward to having ECGRA become one of those funders who are supporting 211 and the community's need for up-to-date social service information.

Mr. Wood: Let's stay in touch and move forward and the Board can look at this from a policy perspective.

Mr. Burch: Fantastic. Thank you very much.

b. STEM Update

Mr. Bookhammer: Last summer we were blessed by ECGRA to give us \$39,150 towards developing a STEM Pilot Program and the STEM Program within the Fairview School District. We have gone through a year of developing the program as well as a new STEM Academy out at Fairview and so I'm just going to demonstrate some of the things we have been working on, where we're at in the process, the partnerships we've built with corporations, the gamut of the three main things that we see.

Those three things are our STEM curriculum and the actual development of the curriculum, our STEM Academy which is the high school where our students work with corporations, and our STEM Outreach and how we can build this in to more of a community effort. Mr. Zona and I have been working on that over the last year to really develop a program that schools throughout the area can utilize and we can really benefit from within our community.

If you have questions along the way, feel free to ask.

My name is Ryan Bookhammer and I have been at Fairview for, this will be my eighth year. I teach Technology and STEM education. Over this last eight years, really four years ago we started planning how do we develop STEM, how do we integrate that into all grade levels K-12. Over that time period it has been my goal to go into the younger age groups which is really where STEM lacks to develop STEM for the younger age groups, to enhance in the middle schools and then in the high school to develop a pathway where our students are able to really go into the workforce being prepared as well as having connections in the workforce.

We're going to look at those three areas; we're going to talk about our curriculum, the Academy, and how we are developing and how we continue to develop outreach.

Our STEM curriculum development: We talk about curriculum development and that is what the teachers are teaching. We focused on STEM integration K-12 so we are in that process of how we develop that K-12. Really in the K-4, which is the elementary school level, how do we develop that at a more advanced level because K-2 has never been a science-based curriculum in most any school. Kids plant plants once or twice a year, they may talk about the solar system, but there has never been actual STEM activities, and there has never really been a way for students to explore those areas of science more. Our school district has done a number of things, as well as our STEM Program and we'll talk about that along the way.

STEM projects per grade level: we have really ramped it up this year. Over the last three years we've been developing in certain grade levels, one or two grades levels per year. This year we're getting into as many grade levels as possible, even if it was just a small project in a grade level, a small research-based project for kids in the high school; we've really tried to develop it at each

grade level by making sure that we're appropriate within the state standards and developing a program that people can utilize.

Our STEM Professional Development: We've taken the teachers this year to the LORD Corporation to say how does education translate into industry. We took all the high school teachers to LORD Corporation, we took a tour, they met with the engineers, we went through all of their processes, we talked about the design and innovation process and how teachers can then introduce concepts of industry into their courses.

Mr. Peters: Is that done as part of a teacher in-service?

Mr. Bookhammer: Yes. It's one of those things where you see teachers where most of them have never been in industry and they're teaching concepts of physics which affect every part of engineering and they have never been in an industry; it's really cool for them to be able to see that.

STEM staffing: we've done an incredible job. The woman who was at the middle school as our librarian and STEM Maker Space Integrator has moved to the elementary school where she is starting a new place so we're moving things there. We've hired a new person at the middle school; we've also hired a new teacher at the high school who has his engineering degree from Penn State, mechanical engineering. We've really been able to build up staffing to where we're able to support what we want to do.

Let's just run through the kits real quick and the curriculum and then we'll get into the Academy and the overview of what's next.

With the kits, we do a number of things; we develop them based on the curriculum. I meet with the teachers, we look at the curriculum and say what are the areas we want to enhance and how can we enhance them in science, technology, engineering, and math. Not only that, but how can we bring a reading piece in, how can we make sure the kids are writing about those, how are they analyzing those subject areas so it's not just, "Let's have a fun day." And sometimes it is that, a fun day, and that's great. I want you to have fun, but what are we learning, what are we being exposed to, what technologies are you working on. When we think about these kits, that's what we do.

This is a really simple one that I'm going to run you through. This is a solar bug. What I did was meet with the teachers and start developing it. I work in engineering, I work with corporations a lot, so I built a lot of parts on my own which is great because now, thanks to ECGRA, we have a good number of 3-D printers so we 3-D print a lot of parts.

With this one, we made a housing for solar panels; we made it so they could put a motor on it, we put on offset weight on it and then as the vehicle moves, it vibrates due to some sort of light source. What the kids are able to do is go in and be creative, they are able to design and refine the kits and then test and retest. The goal with this kit is we give the kids the basic parts and then there is a brainstorming process – they get a whole packet – what are you going to do to make this go down the track faster than the other students project? So, what they are able to do is develop the parts, they have all different K-Nex pieces, we have giant bins of them, they come up with different vehicles that they want to design to race down the track.

The nice thing we have been doing this year is we have been developing a video, we've been developing it digitally. A lot of days I can't be in different classes so I'll do video tutorials and the teacher will put on a 5-10 minute video of me, and then the teacher plays that for the kids, and does the introduction of that thing and then they are able to direct the classroom. We've started to develop more of a total outlet for teachers to be able to use that.

The kids construct their different vehicles, they test their vehicles, they analyze what happened, what was your vehicle design, they draw that out, they go back and retest. It's really teaching them to become problem-solvers. They are working through the engineering design process and that process not only applies to just strictly a problem but it really applies to anything in life that you want to evaluate, research, come up with an idea, re-evaluate that idea, go back and test and

redesign and then have some way of reporting your findings. How do you communicate those concepts and actually what happened.

It's great for our students because in a lot of these different ideas, we will have the students present at the end of these things, we will have teachers come up and do a question time with students. These kids want to be able to communicate and we need them to be able to communicate and articulate what was actually happening and what they were learning throughout that process.

Within the STEM development curriculum, what we're doing is just making sure that at every grade level, as many as we could last year and we're moving forward into this year, we're able to have projects that enhance those science programs and then we're able to give our kids exposure to new technologies, new concepts, physical construction of ideas, and engineering.

I'll show you a couple of really quickly. This is one we did at the beginning of the year – it's an electromagnet. We talked about circuits, we talked about parallel and single series circuits, and then we talked about ferrous and non-ferrous metals, batteries and how they all work, and then they go in and all it is is a copper foil wrapped around a nail which creates an electromagnet that uses a negative force going around the copper foil. Really cool and easy for the kids to construct; it doesn't take an enormous amount of resource and yet we construct in a couple of days' kids learning about these concepts. Normally, they would just be reading in a book about what a series circuit and what a parallel circuit is.

If you want to go buy a kit for a parallel or series circuit, it might be \$20 – \$30. When we tried to develop these, we tried to do it so that each kid is 50 cents, maybe 75 cents. We're not spending \$20 on a big kit or something; we're developing them so that if there are 130 kids, we can make 75 of them for the kids to work in pairs. Every kid gets to be exposed to this concept; it's not a select few. It's an every grade level thing.

At the end of the year, one of the ways we started to evaluate, and we're doing this more over the summer, is how do we evaluate our curriculum and how do we say what we did well and what we haven't done well and where we need to go further. Teacher surveys is one thing we're getting into more; I've met with the teachers about their grade levels. I also spoke with Carnegie Mellon. I'm starting to do this evaluation over the summer. Carnegie Mellon put out this STEM Excellence Pathway; it's really an assessment of your STEM program. I'm starting to do that so I can partner with them in assessing our program. I'm starting that, because it's not really a certification, it's once you're in there, you're in their group. By being in that group with Stem Excellence Pathway, we have a real evaluation of where we're at and where we can go continuously over the next few years.

We've done some students surveys in the grades we really hit hard this year. In third grade, fourth grade and even first grade, we had students giving feedback. What is your favorite project? What did you learn in STEM this year? Do you want to do STEM projects next year? Did you enjoy the STEM project? What tools did you use and technology? Now we have a whole gathering of data to help showcase where the kids learned in different areas, what things they loved. It's great because as they go through, you can see – vertebrates and invertebrates, which we thought was a great project – only three percent of the kids thought it was a great project.

One of the cool things is that out of the 135 kids being surveyed in the third grade, 100% said they loved STEM and enjoyed what they were working on in STEM this year in the projects. In fourth grade, I had one who said he didn't enjoy it, but that's life. Not everybody is going to enjoy everything; and that's ok.

Mr. Wachter: Ryan, in what grade would you have done that solar bug in?

Mr. Bookhammer: The solar bug was third grade, electromagnets were fourth grade, fiber optics were fourth grade. This is a really cool project. You get a piece like this fiber optic, you go on Amazon and it's like \$12-\$15 for this 12-foot piece. I've worked in manufacturing and I still work a lot with companies overseas and I called a group I worked with in plastics; I think it was about \$80-\$90 for a couple thousand feet. It was something ridiculous.

With my background in industry, I know a lot of resources so that's great because we put together these projects, we got a dollar flashlight, we got a piece of this, and at the end of the day these kids, what this whole project was about, was the kids get to design their own constellation. They read about constellations; each star in that constellation is a different aspect of their life, so they write about some aspects of their life whether it's their family, sports, so it's an entire based project about their life. At the end of the day, they learn about fiber optics and then they build a constellation. When their parents come in for the first in-service night, the lights are off and all of the desks have constellations sitting on them about their kids and next to that is their kids' writing about their life.

It's one of those things where it's not just about science, technology, engineering, and math, it's about how the teachers integrate it into their reading and their writing and really how it's integrating into the kids enjoying and being engaged in education.

Let's look at the 2017-18 goals. Developing the kits throughout more grade levels – third and fourth grade are pretty heavy hit. We got all the way down into kindergarten this year, which is great when you're working with 140 kids who are five and six years old. It was fun. I said to Perry before this, we did so many projects this year and built so many things, it would take hours to show a picture of all of them. But all the way down to kindergarten building race tracks and things they got to be exposed to – forces in motion, shapes, designs, all those things.

Engineering design process – we rewrote our own engineering design process, which we'll introduce this year. Everybody has a different one; NASA has one, MIT has one. We said let's develop ours, so we took NASA's, we took a couple of different schools, we looked at how we rewrote out engineering design process, what we thought was perfect for our education, and how we introduce education.

Developing teacher training and integration – that's a continuous process. We just want to make sure that teachers are supported. People ask us about our 1-to-1 iPad initiative and I say it works so well because our administration, it gave the teachers training everywhere they needed training and if you don't train people, they're not going to do it well. It's the same as you going into manufacturing. If your guy in CNC doesn't know how to run the CNC, it's going to be an awesome part. It's really all about training people correctly and giving them the resources they need.

The last thing is the assessment of the curriculum and the delivery; continuing to go forward, monitoring the progress, how do we continue to introduce this into testing, how do we continue to introduce this as what the students are enjoying but also what the teachers are enjoying. It's a continuous working with the teachers because they are the ones who have to eventually take over these projects. I come in and do a lot of work with the teachers, I do a lot of work with the students, but there are groups now where I give the teachers boxes of parts, instructions, and I say, "This year, you teach this one" and I'll come in for maybe a 5-10 minute rah-rah session and the teachers do it. Some teachers need more assistance than others so it's a very different aspect but what's nice about that is we have the support for us to be able to do that well.

We talked about professional development, we talked about the LORD trip, FOSS kit training. FOSS is a science kit our school is heavily invested in and it also piggy-backs on our STEM program. It just helps continue to introduce science training to the teachers. I went to an Apple training. We talked about Apple, we developed maker spaces; this library, myself and our tech teacher at the high school, built it ourselves which is awesome. We ripped it up, we took all the bookshelves, we transformed it. It has flat screen TVs that run off of Apple as well as Raspberry Pies, which is like a mini super-computer so all of our systems run off of those things. All of our students can come and experience that. This is the new high school lab.

Let's talk about the STEM Academy. The STEM Academy – we now set up a STEM Academy Board. We have ten member students this year, which is great, it's manageable. We have ten mentors from industry; LORD Corporation, Penelec, and GRIMM Industries are three corporations

that we have partnered with. We're very selective in that we didn't want to go out and get anybody and we didn't want just everybody saying, "Oh, we'd like to be involved."

LORD is someone we've dealt with a lot over the last several years; they are an incredible group. Penelec we've dealt with and we were surprised at how wonderful the group at Penelec was, not that they shouldn't have been, but we just didn't know exactly what they did. But they are really great. They are part of the First Energy Corporation. And then GRIMM Industries, which is a Fairview based company that is a plastic injection molding company.

What we have here is three very different companies. LORD, which is the highest end of aeronautics and aerospace. We have Penelec, which is an energy company that doesn't just sell us energy. They do a lot of things, they own a lot of different things. And then GRIMM Industries, which is a manufacturing facility. That's great because our students will be able to experience very different aspects of industry going to those three areas.

Where we're at – In December, our students applied; in February, we accepted them; in March, they started their research project. Companies have sent mentors out, they have done presentations on their corporations, they have met the students. We are all going to the LORD Corporation for a day of job-shadowing and integration at LORD with all the ten students. This year, 2017-18, they will begin working on their full-scale project.

What this really does is create pathways, sustainable workforce, job-shadowing, and building relationships with corporations. I've said to corporations a number of times, "You don't understand. You're meeting these kids at 16 years old. They're going to go into an engineering program, they're going to get into an internship from you, they're going to come back and you're going to offer them a job, and guess what. You've known that kid for six or eight years. It's not going to be somebody that you've known for a month and that you've interviewed two times. It's going to be a relationship that's been built over a period of time and that's building a pathway where these kids will be able to go back to these corporations.

We're selective; all of the kids had to interview. Who do we want to put out, not just for the corporations, but also for the kids that really want to invest in it. Not all of them are going to have straight A's, but do they want to invest their future in going after this. We have that with the Academy.

The last part is the outreach. This year I spoke at Frontiers in Engineering down at the Bayfront with Penn State. Mercyhurst Teaching and Learning Expo, I went in and talked to the groups there about STEM and those things. We had other faculty members doing that.

The Bird Adaptation Project, which I'll show you quickly, is the last thing and then building relationships with corporations as our STEM outreach. We continue to build relationships with corporations, but we're going to be kind of picky as far as how we develop that going forward with the Academy and with the school in general.

Part of the grant we used for the Bird Adaptation Project. We used to manufacture our own kits. We worked with Tech Tank, who you guys have worked with downtown; they hired a local machinist. They built two molds; I brought the small mold, and we manufactured our own bird kit. Bird adaptation is in the course standards for third fourth and seventh grade. Bird adaptation is specifically mentioned in a number of those state standards.

What we did was build a bird kit that can snap together to teach the kids about what molding is, what injection molding is, how engineering goes. Then we show the kids their kit; they get a family mold so they learn what a family mold is, they snap off their beak, they assemble their bird, we talk about the parts of assembly, and they get their final bird. They paint it, they come up with a house that has research all over it, they talk about the adaptation that caused them to live in that environment, the species, the food that they eat, all that wonderful stuff. Then they paint it and have this bird in their house. They do a whole class evaluation and that counts toward last year we did this. I build 150 of these by hand.

Penn State Behrend donated the plastic for this and the guys downtown did an incredible job on it. We can pump 120 of those out per hour. That's actually a slow cycle time but it's good enough. That's maybe the next goal. I've talked to a number of administrators from other districts, Mr. Zona has, and I talked to the curriculum director yesterday about introducing this kit into their school. I was also just at MIT for a grant that I wrote and I talked to one of their teachers and I'm working with a group in Michigan that actually has a distribution line that does science kits for schools. They do it for the schools in Michigan but that's a conversation I'm starting, so we'll see where that goes.

This is the last thing . . . my students actually designed it; it's an ECGRA award.

Mr. Peters: I don't know if there's ever been an ovation for someone doing a presentation. I want to make a comment that this was a Pilot Program. We're going to talk about Pilot Programs under my report in a few minutes. I am so overwhelmingly impressed with what's been done. I think you and your team are really to be commended. This is what ECGRA is all about – transforming how educators work with industry, how industry works with educators, transformational economic growth. Kudos to you and the team. I think it's tremendous.

When I look at this, one of the things you may or may not know from reading the paper is that there are certain elected officials, in particular in Fairview you have an assemblyman who doesn't believe in us funding programs like this; thinks it's a terrible waste of money; and we're going to talk about that later. One of the excuses they use is that we're singling out a wealthy school district to support something like this and the question becomes, for this Board I suspect, how do we go forward with something like this? How do we consider if this is a big enough and important enough thing that we should implement your program throughout the entire county? I think that's going to require some further dialogue but I just wanted to say Congratulations, this is tremendous.

Mr. Sample: Could you be a little more passionate about it? I'm really not sure you're vested in it!

Mr. Peters: The last time I felt like doing this, we were at Central Tech and it was Matt Pundt. Educators get beat up all the time, sometimes probably deservedly, but how could we create more teachers and educators like you? It's absolutely tremendous.

Mr. Wood: I think part of the lesson is in what Ryan described, which is teachers are interested in this kind of thing but they need the proper training in order to integrate it. That was a discussion that began with Justin Zona and myself. Justin is in the Practitioner's Doctorate Degree at the University of Pittsburgh and that's where we began that discussion. That's how it came to the point where we actually put something on paper and got it into the Pilot Project concept.

There's a lot of value to starting at this level when it comes to creating an advanced industry workforce in a region, which is the main source of competitiveness in the 21st century. You can read about it in my essay on Advanced Industries, you can read about it in any number of trade publications. The fact that you presented at Frontiers in Engineering, which is a major, major nationwide conference, is a feather in your cap. The fact that you're talking to MIT and CMU about this project, there's a very short list of people in the region who are interacting with these major institutions.

Mr. Sample: The fact that they are picking up the phone when he has the conversation, they know it's a credible situation. Too often, teachers get beat up for apathy; you're vesting the teachers into the project. They're actually involved in it; they're not just being told what to do, they're being involved in the process.

Mr. Wachter: If I may follow up on what Mr. Peters had said, one of the aspects of a pilot program is we have a pilot policy which requires that there be a review of the program to determine whether it has been successful and how to replicate that for the remainder of the county. That's the purpose of the pilot funds; I think this Board has seen that this program has been successful, notwithstanding the fact that my third grader made one of those solar bugs and never told me about it.

That is the question, what is the next step? We haven't had a pilot project progress to the point that we want to take it county-wide, is that right?

Mr. Wood: We did for Summer Jobs. What that process looked like was we studied the results of the pilot, we educated the Board on the results of the pilot in a brief case study format, and then we took it to the level of creating a program. In the case of Summer Jobs, it was the County creating the program and us participating as a funder. So, we might want to think about how we're going to structure that. For example, we may want to have discussions with other curriculum directors that you're networked with.

Mr. Bookhammer: Justin and I have talked about meeting with curriculum directors about the bird project because it's a basic course standard. It's not like we're going out and just pulling something off the shelf; it's a standard in multiple grade levels.

How do replicate it? Here's what I talked to Perry about in the past; creating a kit at each grade level. I think it would be valid to say there is a kit at each grade level that we can, I call it Fairview-Built STEM. I'll email Perry a one-minute video about how we built STEM in Fairview. The incredible thing is we have the resources in this community to injection molding of anywhere in the world and we could build small science kits that effectively can be sent out to any school district with digital information on how to teach that; with video series on how to teach that to every teacher, whether it's the inner-city, Fairview, or General McLane. It wouldn't matter. Everybody would be able to teach that because it's already within their standards; we're not trying to go way outside and bring something in. It's within their standards so that's where we look at it and say, "How can it be transverse?"

Mr. Wood: Can I just drive that point home on the scalability? The education industry has become so bureaucratized at some levels with standards, that the genius of what's going on here is the seamless integration, although not seamless with all the hard work involved, into existing curriculum that addresses those standards. Instead of creating a brand-new module to be inserted into a teacher's curriculum, it is integrated into the existing curriculum which makes it even easier for adoption by the teachers.

Mr. Wachter: With that said, is there a written curriculum that would go along with this for scalability? Not every school district has a Ryan. How is that foreseen? Is this a stand-alone entity that sends teachers out into the districts? Are your You-Tube hits going to go up? How does that work?

Mr. Bookhammer: I do a lot of work in business and think about how do we actually progress this forward. The idea would be, that if this was funded and Fairview was given the task of developing these kits, what we would do is a community-based thing. Let's just say we were going to do a third-grade kit; there would be teachers from different districts that come together to talk about that curriculum, this piece about what we're building, and also contribute to the curriculum development so that way it's a community-based thing. It's not just Fairview alone that's developing it.

I mean we could, we could start out with the first kit that way so it's manageable because sometimes you have too many people giving their opinions and everyone has their own. We do it well, we let it alone. At the same time, if you were going to fund the kits, an easy way of doing that is teachers from that district have to come and get trained in those kits to be able to receive those kits from the ECGRA funding. Otherwise you don't receive kits for your district.

Mr. Wachter: The kits, are there many perishables in there? Does it have to be replenished every year?

Mr. Bookhammer: Some of them can be and some of them don't have to be. The bird kit, every kid gets a bird. It's one of those things. I have parents who had kids do one last year and that bird is still sitting on their dresser. The great thing about that is, we did these night lights; these are like one of my favorite things. The kids study biomes, we build these night lights; I actually drew all of

the biomes this year because I didn't want to copyright anybody. The cool thing about this is that they are so simple. It's a piece of plastic that addresses the things they are studying.

Mr. Peters: What I would love to see you address as you guys look at do we take this county-wide; the piece of glass you have there with the fiber kit, tie that with a Penelec who is the largest owner of fiber optic networking in this part of the country. All along their infrastructure they own fiber optics so they need people who understand that. Maybe tie together for the general public, how our investment in this can lead to employment in the future. And some endorsement from industry, whether it's Teck Tank saying, "We're going to teach kids how to make molds" or Penelec saying, "This is great because we own so much fiber" or GRIMM with injection molding. That would really help as we encourage our staff to look at if this is something we should take to a larger audience.

I, for one, would be in full support of Perry and the team looking at how we grow this because I think it's tremendous and I think it's a great tie-in, if you look at the continuum of education, getting kids ready for the Community College, if that happens, or some other form of post-secondary education. I think this is a really neat thing.

I know that giving away money is a very easy thing to do and just requires writing checks, but typically here we don't like to do that. We like to research and understand and I would like to see Perry go forward in looking at expanding this.

Mr. Bookhammer: I think it should be a rollout plan; do it one year and see how it works. Do the fourth grade and tell schools, "We're going to do fourth grade." And then you look at it. That way you're not investing in K-5 and it all blows up.

Mr. Wachter: Is that for 2017-18? Or is it a 2018-19?

Mr. Wood: Typically it takes about a year in the planning.

Mr. Bookhammer: I think it takes about a year to plan, a year to develop the curriculum molds; I think we need the ability to do that. This was in our three-year plan; this is the injection mold for these parts. In December, I thought I'd really like to just blow this out of the water and just do it. It took me about 60 hours of my engineering time, the district pays me my salary but they don't pay me what I get for engineering. That is fine because this is my job – to assist in education, and that's what I am doing.

So, I just decided let's do it, and I'm sitting home at night doing the engineering drawings, getting it all developed, going back and forth with the manufacturing; Tech Tanks is a great group to work with. We thought that was the second or third year of what we'd do but at the same point it was open so we thought we would just do it and be able to showcase that as something we could actually help districts with and not just make it our own district but be able to give to others.

Mr. Wachter: Based on your understanding with the Fairview School District, is this a work-for-hire? Who owns the copyright?

Mr. Bookhammer: Who owns the copyright of these things? We will have to have further discussion on who owns the copyright for that. Things like these drawings, those are personal copyright. Things like this, when I'm on their hour developing it for them, I pretty much knew this first kit was owned by Fairview School District.

Mr. Peters: I think I made this comment last year when you were here and I know I've said it to Perry as well, sooner than later you're going to have to figure out if this is a business for you or if this is a social mission at the Fairview School District.

Mr. Bookhammer: I've actually had a number of people ask me if I wanted to turn this into a business but . . .

Mr. Peters: We're an economic development agency and I'm not opposed to that. But we get into this weird area is, are we doing this to support school districts or are we doing this to support business? If it's to support business, then it needs to go through other channels than what this went through. It would have to go through one of our other funding partners, a Blue Tree, a Ben Franklin. This group does not directly fund for-profit business. We fund funders of for-profit business from our

economic development initiatives, but I would straighten that out quickly because as an investor in tech companies, but also as someone that serves on a no-profit Board that invests, we do not want intellectual property issues because that would be a huge and legitimate problem for us.

Mr. Wachter: This grant went to whom?

Mr. Bookhammer: It went to the Fairview Foundation.

Mr. Wachter: And what did you spend that money on?

Mr. Bookhammer: Over that \$39,150 there was \$14,500 allocated for my position to be out of the classroom, there was \$15,000 in materials, which we still have some funding left because I got another grant that rolled into that also. Then for the maker spaces and those things, we had on the line for learning spaces; and we had a software budget. Those were about \$1,500-\$2,000 a piece, and then the professional development.

Mr. Wachter: The \$14,500 for your time out of the classroom; was that the time you spent designing these?

Mr. Bookhammer: Yes.

Mr. Peters: This is a fascinating issue because school districts don't typically have an IP policy the way an MIT or a Penn State or an RIT does. Now, and I may have mentioned this last year as well, Penn State changed theirs in a very dramatic fashion, but it's a very open and interesting fashion. The other thing that Penn State's Office of Intellectual Property has offered is that any University that would like to emulate or learn Intellectual Property, their IP platform is available; sort of an open-source concept for IP. They specifically stated University, but I wonder if this – we're creating something for the school districts to think about because they're going to have teachers designing things potentially in the future at the higher grade levels, students designing things. In particular when it's a foundation, if there was ever profit that came out of this, would the foundation want to share in that, which is often the model. It's kind of like some of the best know IP transfer programs, like Waterloo, Ontario, MIT, Penn State, CMU – we may have to start thinking about this.

Mr. Sample: Thank you.

Mr. Barney: Can I ask you who made the award? Did you make or the students make it?

Mr. Bookhammer: The students designed it and they 3-D printed the majority of the parts. I 3-D printed a couple of the parts that they were having trouble with and I assembled the parts together.

Mr. Wachter: So it was primarily printed with the 3-D printer that we purchased for Fairview?

Mr. Bookhammer: Yes, the majority of it was. This is flexible 3-D printing, which very few people have. We are actually able to 3-D print flexible materials now which is really cool. We have nylon and can print in wood on that machine also.

Mr. Wood: Please relay to your students that we are very impressed with what they have done and we really appreciate it.

COMMITTEE REPORTS

a. Treasurer's Report – Mr. Peters: There are two primary things I'd like to go over today. Obviously, the budget with the P & L sheet; everybody should be used to seeing this by now. I'm glad to talk about any element of it that you want but it's been reviewed and I feel comfortable with it and I would propose that we move on from it. The second detail, and we'll talk about it in more detail, is some meetings we've had recently and the potential for revising our budget.

Let me start with questions. Any questions on the P & L? On the Balance Sheet you'll notice that we continue to break down our Erie Bank asset account between Committed and Uncommitted Funds; just a reminder as the balance continues to look fairly high, nearly \$3.5M

is already committed. When you look at these balances, as a reminder we get our money post-operating year.

Mr. Wood: Can I just point out that the Committed Funds line item, if you want the detail on that, correlates with the last report, which is the Grant Reserve. There is a Committed Funds section that lays out in detail what that \$3.3M consists of.

Mr. Peters: Thanks, Perry. I'd prefer not to get into a discussion about the Enterprise Development Fund at this meeting, but if you recall at our last meeting they came and presented and there were a couple of specific asks that they had. At some point, we probably should address those asks. When you look at Notes Receivable you see those two in there where one is \$500,000 and the other is \$800,000. The other million or so was in the form of a grant and our very first round of funding them, they in essence asked us at our last meeting if we would just forgive all that. We had discussion about that. They had spoke with us off the record about forgiving all that and then they came and they just asked for some modifications to their documents.

I don't know if that's something to discuss at this point or if that's something that just Tim and Perry continue to work on with them. But they are in financial straits and it's going to continue to get worse for them as they have one major credit extended that filed for Chapter 11 Bankruptcy; they will not be receiving any funds because of that, I'm almost certain of that. They are way under-collateralized. They have a second one that is probably going to result in a short sale. The Bankruptcy is public at the RCWE building so we can talk about it; the other one is not public yet but we are aware that they have another \$250,000 equity investment in a deal and \$250,000 in debt that they're most certainly going to be taking a big hit on as well. I don't know where you guys stand on that but I know it came up and then we moved on with our meeting. I don't know if we've responded to them.

Mr. Wood: We have not. It has not been relevant in the last thirty days. Especially in light of local share gaming revenue being in a state of flux.

Mr. Peters: I understand. I just wanted to point those things out on the Balance Sheet. As we look at Budget vs. Actual and we think about where we're at in the year basically finishing our first quarter, that's what you're looking at. You can see that we're pretty well in line with spending. There are a few categories that are up a little bit if you think about this as being through our first fiscal quarter of the year; some that are light, too. And the things that are way out of whack, like postage, they're tiny amounts of money. Any questions on that?

As usual, you have your Schedule of Grant Reserve and finally, as I'd like to point out, we provide this Board with the Check Detail which is typical, as our Solicitor pointed out, of government entities. Not all non-profits show their Board actual checks written. So you see the money this go-round, what we've paid our settlement communities and every other vendor. One thing I want to point out is that there is a credit card here and you'll often see a single check to the credit card. If anyone ever wanted to see what was on that credit card, all they have to do is ask me or ask staff and you'll have a copy. Either I or the Chair review that before it's paid anyways.

That's my report. I do have a second item that I'd like to talk about but I think, for efficiency purposes, if someone is willing to make a motion to accept the Treasurer's Report. Mr. Yapple makes a motion to approve the Treasurer's Report. Mr. Barney seconds the motion. Motion carries 7-0.

The second thing that I'd like to bring the Board up to speed on, and Perry and I are going to discuss this jointly, as some of you know we had a meeting at Senator Laughlin's office a few weeks ago where Sen. Laughlin had invited both the members of the House and County Council to a meeting to discuss ECGRA. There were really four items that came out of that meeting. I'm going to let Perry summarize those for you real quickly but when he's done

summarizing, I want to come back to how we're talking about addressing one of those concerns via a revised budget. Perry, maybe you can hit on those four topics.

Mr. Sample: And at no point were we in violation of the Sunshine Law. County Council was and wisely the representatives did not violate it either because they didn't show up.

Mr. Wood: Let's start by putting this conversation into context. First, ECGRA has always had a commitment to matching funds in its grant-making process. We have always looked for leverage, we've always looked for ways to create a multiplier effect with our funds; it's just a fancy way of saying, "How can we extend the economic impact that these funds are going to have?" It's a major driving principle of this organization that we have always abided by.

The second is that in June 2016 the landscape for gaming legislation began to shift. We found out after the House had passed a gaming expansion bill for internet gaming, fantasy sports, and airport slot machines – we found out after the fact that those discussions had been taking place. So, between the imperative to leverage our funds and the fact that legislation was changing, we had a serious discussion about getting some government relations in place so that we could have better communication with what was going on in Harrisburg, considering how Harrisburg affects this Authority.

In July, the Board discussed the importance of these on multiple levels but our main thrust at that time, if you remember, was to secure federal and state grant dollars. The government relations piece, as far as following gaming legislation was sort of a secondary piece; it was not the primary focus.

Then in September, a Committee of the Board accepted RFP's between July and September and the Committee of the Board interviewed lobbying agencies to hire them for our stated purpose. We interviewed three registered lobbyists, and we selected Ridge Policy Group.

Literally two weeks after signing our agreement with Ridge Policy Group, the Commonwealth's Supreme Court declared local share gaming laws in the gaming legislation to be unconstitutional. Immediately, the strategy with Ridge Policy Group shifted, if you remember at the time we had them looking for grant funds; we immediately said, "We need to put all our focus on gaming legislation, considering this is our funding stream that we're talking about here." We began communicating with Sen. Wiley and members of the House and the Senate about fixing local share gaming.

The November session of the Senate and House came and went and at the end, local share gaming didn't even get out of committee at the Senate level. At the same time, Erie County elected a new senator to represent us. We immediately met with Sen. Laughlin, brought him up to speed on local share gaming, and he committed to us that local share gaming would be a priority for him.

The Senate then asked the court for an extension in January, so by now the clause has expired. The Senate asked the court for the extension, they gave them the extension, which brings us through May 2017.

I want to bring you back in time a little bit. It's clear that the future of local share gaming; the concept of it hung in the balance. At the time, there were people talking about abolishing it all together. There were some talking about absorbing it into the Commonwealth's general funds and others were talking about taking away the local concept and giving it to DCED for distribution.

To put you back in the mindset, there was no for-sure pathway to fixing it. The concept was at risk of expiring altogether as part of the Supreme Court challenge. We immediately sprang into action as a key advocacy agency. What happened is that local share gaming

became a pawn in the efforts to expand gaming. The notion of simply fixing it, as the court had asked, was now complicated by expansion issues, poor revenue figures at the state level, and non-casino hosting municipalities, which outnumber counties with a casino by a 6-1 ratio. In many ways, it's a numbers game for the legislature.

No one ever expected the gaming legislation to be opened again and because it was, there was kind of a Pandora's Box effect in play. The days and months that followed that involved me taking multiple trips to Harrisburg, letters to legislators, meetings with legislators, public awareness of the issue, interviews with media outlets here in Erie County; social media and traditional media outreach; everything we could do to make our citizens and of course our grant recipients aware of the fact that local share gaming could go away as a concept.

The communication strategy for this really culminated in March 2017 when the House Gaming Oversight Committee did something very rare, which is they left the Harrisburg region and they held a public hearing on the future of gaming in Erie County.

ECGRA took the lead on that hearing, working diligently with staffers of the Gaming Oversight Committee. We put together a two-day itinerary, we met with the media, and we organized tours of assets funded through gaming revenue. The Committee's trip started with a reception for the state representatives the night before the hearing when they came in. The next day, the hearing took place at the Convention Center. Numerous elected officials and beneficiaries of these gaming funds attended the reception and testified on behalf of local share citing its benefits to the community and the economy.

Every aspect of that trip was meticulously planned; all of it designed to give the representatives from the Committee, which are from all parts of the state, a clear picture of how gaming funds are strategically and thoughtfully invested in Erie County.

We know from the transcripts, if you weren't at the meeting, that there were many positive comments that came out of that meeting. Chairman Scott Petri, in his opening statement, said, "For the members who did not see it, we were welcomed with an above-the-fold front page story. That's clear news to us. We understand what that means. That means that this is very, very important to Erie and we're pleased to be here."

He also complimented the welcome reception, stating, "I want to thank everyone for last night's reception and attendance. Your local officials were out in full force and I think we saw demonstrative proof of the positive impacts local share is having on your community. And I must say, as Chairman who was a member of the House for a long time, I don't ever remember such a warm welcome from a community."

County Executive Dahlkemper testified, saying, "It's important to note that in Erie County we have a unique manner of distributing our funds and that our local share funds have been used innovatively, collaboratively, and precisely as they are intended." She also stated, "Erie County, working in conjunction with the Erie County Gaming Revenue Authority, has been able to balance the impact of the local casino and work to reinvent itself."

Everyone's answers to the Committee were excellent. Supervisor Augustine drive the point home of local share gaming when she said, "The planning and land development process with Presque Isle Downs & Casino took five years and hundreds of man hours of work by township personnel. When Presque Isle Downs opened, the health, safety, and welfare of their many employees, together with thousands of patrons, became Summit's responsibility." She went on to lay out a very persuasive case for impact, including the 113 thousand gallons of water a day that Presque Isle Downs uses during its peak season.

Leading up to my testimony to the Committee, Chairman Petri complimented ECGRA's Economic Impact Study. He said, "Let me state publicly that we've all received a copy of this report. Fantastic report (as he held it up to the audience). I know you're not solely the one that put it together, but for everyone who hasn't read it, it is phenomenal; one of the best I've

ever seen. And as I said last night, whoever can put this together should do something like this state-wide because it's very helpful."

After my comments were concluded to the Committee, Chairman Petri said, "You should really be thankful that your community is working together. You should really be proud of the fact, because I think you're actually demonstrating how effective you can be when you gather together and communicate. So maybe you have the model that the rest of the State should follow."

Representative Diamond then stated, "From everything I have seen across the state, and I will readily admit, that no other locality has given us the depth of understanding of what they do as well as you have. But it does appear to me that Erie County is different. It's unique amongst all of our beneficiaries of our casinos."

Subsequent testimonies from partners and grant recipients was also excellent, but I won't go into those details. In total, it's a 117-page transcript that shows the impact of ECGRA and the funds on Erie County, the hard work of the ECGRA Board, and the effect of Team Erie County.

That brings us to the events in June 2017 when members of the House began criticizing ECGRA via the media. I think it's important to point out that Representative Harkins is the Co-Chair of this Committee and I didn't point out any quotes from him about ECGRA or how Erie County funds are being spent. It became apparent in later reports through the media that members of the House from Erie County were not satisfied with ECGRA. I think it's important to state for the record that no member of the House from Erie County has ever expressed concerns over how ECGRA operates, directly to the staff or to members of the Board in any official capacity. It's all been done through the media.

Because of this criticism, Sen. Laughlin called a meeting in his office on June 16 between members of the House, County Council, County Executive, and the ECGRA Board. Unfortunately, no members of the House, or staffers, attended. Fortunately, members of County Council and our liaison to the County Executive were in attendance. ECGRA was represented by its Board Chair, Vice-Chair, and Treasurer. The following issues were discussed.

The House members leveled criticisms of our transparency in costs and budget, our transparency in the Special Projects line item of the budget, our use of lobbying fees in a communications budget related to saving gaming revenue authority for Erie County, and finally use of the education and training line item, specifically for my doctorate degree.

The meeting opened with a simple question posed by Sen. Laughlin; should we keep ECGRA? That question was answered quickly and definitively by members of county council in the room who said, "Yes, we should."

The issues that I just listed were discussed one at a time; all questions were answered to the satisfaction of those present and it was clear by the end of the meeting that everyone appreciated the good work of ECGRA, especially what we've done in grant-making. Now our task is to review that list of criticisms diligently and propose cost reduction to the operation when possible. I believe that for each criticism of ECGRA, there is a reasonable course of action and any reasonable person looking at our accomplishments understands that there are costs associated with program development, project management, compliance, research, execution, and reporting.

I think that those events effectually contextualize the point we've reached now as an organization.

Mr. Peters: With that as backdrop, one of the criticisms was already addressed and that was in our reimbursement of staff for educational improvement. I think that has been

pretty publicly hashed over. Perry has offered to no longer take reimbursement for his course work at the University of Pittsburgh. That's item number one.

This is on SharePoint, but I'm going to go ahead and pass it out. Perry and I have been working together on areas of the budget that we might be able to address. I'd like to take a few minutes and go through, line by line, anything we're proposing a change of.

If we look at the expense side, we are proposing an increase in the auditing fees due to utilizing a new firm, which we all voted on. It's minimal but it is what it is. We had funded the government relations services out of Special Projects. That was certainly not in an effort to hide that. It was a well-publicized thing that we were looking at hiring an advisor. We're proposing we create a new category of Contracted Services called Government Relations. Professional Services – we're proposing a 20% decrease, same with Website. Perry, can you remind me how, in general, you're going to attain that 20%?

Mr. Wood: We are going to reduce the time we use consultants by 20%.

Mr. Peters: Office equipment, we've reduced that; keep in mind that our iPads count as office equipment and they were replaced last year and that's why it was high. Now it's cut in half. Printing, office supplies – we're going to promote ourselves less to the public and cut down on the printing. One of the things I have always been in favor of is printing the Annual Report. I keep them in my office and when people ask us what are we doing, I like to hand them out. I know that Perry hands them out as well.

All of that stuff is on our website; for anyone who claims us to not be transparent, and if there is anyone on this Board who doesn't understand how transparent we are, I would all but beg of you to go look at our website. Every set of meeting minutes is on that website from the beginning of time. We have so much detail available to the public and it's very easy to find; how anyone could call us not fully transparent, I don't know.

One of the ways we can save some money is to do less printing. You see a big cut on Professional Development; this is open for discussion. If this Board wants to say, "Listen, there is no professional development available to our staff, we're not sending them to conferences, we're not teaching them, we can certainly do that. This cut is largely related to Perry's continuing education.

Mr. Sample: That was already going forward so we still need to reimburse him for anything up until that point, correct?

Mr. Yapple: I still have a personal problem with that; this has gotten very personal. It's very commonly known that in industry, it benefits the organization to invest in the employees. I know we're swimming upstream but it's for the benefit of Erie. I find it a personal affront because they do it in County government, but they think it's not good for us?

Mr. Sample: I talked to Tim Hunter, the Chair of Erie Community Foundation, and he said in industry it's a standard item. I don't even know why they're questioning it.

Mr. Peters: It's an item at the County itself; we modeled it after the County. But this is political and personal.

You'll notice again on Outreach and Advertising, again, just across the board, a 20% reduction. Special Projects – this one is of particular interest. While we were at this meeting with the Senator and members of County Council, and the representative from the Executive's office, this came up over and over.

Mr. Wachter: Can we also note that Sen. Brooks sent her Chief-of-Staff?

Mr. Peters: Yes, good point. This Special Projects came up, Advertising came up specifically, Special Projects, and of course continuing education. As hard as we tried, and Mr. Sample worked very hard to explain the Corry blight project, we talked about the Fairview STEM project that we all just heard about again, they did not want to hear it. They believe fully, or at least certain folks in there, Councilman Loll, Councilman Leone, for whatever

reason they believe that some nefarious activity is taking place out of that account. If you all recall, our goal because we want to be a transformational, economic development entity, our goal was to use that pot of money to test things like Fairview STEM without having to rewrite our whole strategic plan to comply with Judge Dunlavey's ruling that we need to provide a certain level of opportunity to competing entities that might want to offer a service; a certain level of diligence.

The idea would be we pilot something like Fairview STEM, we decide it's important, or like Summer Jobs that it's timely, we pilot, we decide it's effective, and then we put it out for application if we're going to make it a grant program. That's exactly what happened with Summer Jobs; we've now had two operators of that program. As much as we like Ryan and what he presented today, it's theoretically possible that if we take this out to the County, that Fairview could potentially not win this project to administer it; that it could go to somebody else. That's exactly what happened with Summer Jobs.

This seemed to be a good way to fund these projects. However, it's under great scrutiny so I am proposing, along with Perry, that we eliminate this. If we are going to fund one-off projects, we're going to have to figure out some other way to do it out of our grant-making process, which is going to be significantly more cumbersome, make the "writing of checks" a little more difficult. For as much money as we administration, only \$200,000 has ever been accessible for us as a Board to say, "Ok. Let's try this."

Although it bothers me a great deal to react to political criticism, folks that could be here at this meeting right now, listening to the effort that goes into these projects, aren't here to understand what we do.

Mr. Yapple: Not to interrupt, but how can we do that where we see what great rewards that potentially could come to pass? Maybe it's an oxymoron that we hit a home-run with Fairview STEM, when maybe it would've been a waste of money. But to stifle that; isn't there some other way to handle it?

Mr. Peters: I think it's going to require work on the part of the Strategic Planning Committee and the Board to say, "How can we accommodate trying things without being in violation of Judge Dunlavey's rule of due process for anybody seeking these funds." It's going to be more work on the part of the Board to do programs like Fairview STEM, but if it takes a little ammunition away from those who, are frankly fighting us, the House members are fighting us because . . . Look, I'm speaking for me; my interpretation of the reason they are fighting us is because we have been extremely challenging of a certain member's "pet project", that's a shame but I guess that's how politics works. But if we can take away a little ammunition away by cutting this budget; so, we all have to work a little more and have a few more committee meetings to figure out a different way of trying new things in the future.

Mr. Sample: The really sad thing is that we are being judged by our proposed budget. At the end of the year, if we didn't spend that \$200,000, we're leaving that because it gives us mobility. But that's what they're doing; they're crucifying us on a proposed budget, not actual expenses and, I said to Perry at one point, I think it's odd that they are not asking for a three- or four-year average. They pick a budget that we have the most comfort in, knowing that we're going to have a challenging year. So, we put certain things in there so we would have the ability, and that's what we're being criticized on. To me, that's offensive. But if we need to tighten it down to Chuck's point . . .

Mr. Peters: I think of those four things that Perry brought up that were mentioned, one – the issue of transparency within our budget, I think that certainly these changes address that. The fact that maybe we should've handled Government Relations a little differently and I'll take full blame for that. I'm the one that presents these budgets, I'm the one that works with staff to get them prepared, and I probably should have caught that and said that we should

have a separate line item for our lobbying efforts. That's something that we should've caught for this year in April. I think that addresses that one issue of transparency.

Perry saying that he will no longer take reimbursements for his education addresses the other issue. Then this concern over advertising that Carol Loll had, I don't think we're excessive in that; the two newspaper ads that show sort of where we spent our money, sort of a summary of our annual report; she didn't like it. If this is available to the public via our website, fine. We won't print it. That resolves that issue.

The only one that genuinely gave me heartburn is this Special Projects category; we've all debated this ad-nausea for years. We started at maybe \$75,000 and it has increased as we saw some success. If this were up to me, and it's not; there's a bunch of us who have to vote on this, if it were up to me and I think if it were up to Perry because we worked on this together, we would simply just eliminate that and then I would respectfully request that the Chairman would charge the Strategic Planning Committee with having a few more meetings to talk about if in fact, creative new ideas come up, how would we address them. That would mean that we would have no way to address the next Fairview-type idea, something that is sort of a one-off that might be good, might be bad. We would have no way of addressing that and funding that.

In some ways, it might make our jobs a little easier. People come in with ideas and we say, "Sorry. We can't do that. We would have to create a whole new program." And when we create a new program, it typically takes us about one year to do that. So, the next special project that someone comes in with, it's a little harder to do.

I would recommend that we proceed with this, even though it probably gives us all a little bit of heartburn. Certainly, I'll shut up and take any questions. Perry also came over and pointed out that we told Ridge Policy that we couldn't pay them as much as we were paying them so it's a 20% reduction in their fee as well for the year.

Mr. Sample: The one thing about advertising; certain members of County Council didn't seem to know that we had to advertise our meetings. We advertise our meetings because everyone is available to attend.

Mr. Peters: Councilman Leone, and I'd call him out on this; I wish he were here because I'd do it if he were sitting in the room. Councilman Leone probably a year or year-and-a-half-ago when Mr. Logue was inappropriately appointed to this Board, serving a District he didn't live in, at that time Mr. Leone and Mr. Logue pressed this group to quit having committee meetings that didn't include the entire Board. When you have a seven-person working Board, that's kind of tough.

But we took that advice from Mr. Leone and Mr. Logue and decided to invite every single Board member to every single committee meeting, which meant by law, that we have to advertise every single one of those meetings. And if anyone has ever done any legal advertising with the Times, it costs money. It is far from free. It's not like going and selling your used bicycle where they basically give you an ad at the newspaper. Legal advertising is expensive. But we have to; you can't have it both ways. If we're all going to be at every single meeting, then you have to advertise it.

Even with that said, some of the non-essential advertising, we will cut. I will take any other questions or comments on this.

Mr. Paris: Ridge Policy Group has agreed to this decrease?

Mr. Wood: Yes.

Mr. Sample: I commend Chuck and Perry on their diligence in going down through this. We weren't dealing with an inflated budget to begin with and we never actually ever came up to budget. Again, we're being judged by our proposed budget, so that's what we need to dial down.

Mr. Wachter: Mr. Treasurer, at the meeting there was some discussion with the Senator regarding adding some sub-accounts in order to better explain where some of these dollars go. Is that something that has been considered?

Mr. Peters: That is specifically where the Government Relations line item came from. Within QuickBooks, we have access as you see and I pointed out earlier in my report, every check that has been written. We could very easily, by vendor, show who we're spending money on. That's a simple report.

As far as Office Equipment, which by the way received a lot of scrutiny at that meeting, we could certainly create categories of computer equipment versus desks and chairs, but the reality of that is there is so little activity, that was a once every three- to five-year thing to buy new iPads. It might have been a little oversight on the part of me and Perry when we were working through this budget the first time that the Office Equipment line was still a little beefy and could get cut down. As we look through it, I suppose Books, Subscriptions, and Dues - \$7,000, I suppose that that's one of those items that someone could say, "Really? We're going to continue to buy books for everyone in the community because we think it's important that people be educated?" That's a big part of it; these books that we've all read are not cheap. Edward Glazier, that's not an inexpensive book and we've bought lots of them to try get the dialogue about what's going on in the community to a higher level.

Mr. Yaple: This is where ignorance is bliss. I'm sorry; we're dumbing down. And that really upsets me. If we were doing something nefarious, but this has been all for the good.

Mr. Peters: To Tim's point specifically because it's a great reminder that the senator asked for that, I can go through this again with Perry the categories where we spend on multiple vendors like Professional Services. We could break that down further to say which types of Professional Services. That 62130 Account is where we pay Amanda for communications services. I don't know who else we pay out of that category. Perry, do you?

Mr. Wood: I don't have that detail in front of me right now.

Mr. Peters: The other big thing we spent it on was the Economic Impact Study, the one that everyone was praising us for, then all of a sudden, "Why did you spend all that money on an Impact Study?" The answer: to try to save gaming revenue. Not just for us, but for the entire county. To Tim's point, if there is a category where we are typically spending on more than one vendor, we could sub-categorize and say Professional Services – Advertising, Professional Services – Accounting, Professional Services – Communications, etc.

Mr. Wood: We do it just like every other Authority does.

Mr. Peters: That's a whole other issue. Senator Laughlin didn't ask every other Authority, he asked us.

Mr. Yaple: Are we going to satisfy them by doing this?

Mr. Sample: The only person we're satisfying, and I'm here to say this; Senator Laughlin has been a God-send. These are the things he is asking for. I couldn't believe just how blunt – "Here it is. Let's deal with it. Cut the B.S. Here's the problem. What can you give me?" I would give that man whatever he asked for.

Mr. Peters: I disagree with that. I'm not doing this because of any politician. I'm doing this because I believe that there were certain points at this meeting that we should address.

Mr. Sample: They were valid.

Mr. Peters: I will say right here with at least one politician in the room, I do not operate here to satisfy a politician. I operate here to try to make Erie better and so I believe that one of the ways to make Erie better is to continue doing the work we're doing and therefore, taking a good, hard look when people give us advice, whether it's a politician or another Board member or a member of the public. I think that's just good business.

I will tell you I have absolutely no issue cutting the advertising, I have absolutely no issue creating new categories so that we illustrate that we're spending on Government Relations. The only one that gives me a little pause is the Special Projects, but I don't think that we can win that battle. I think that putting it back into the primary funding streams through the strategic planning process, yes, it's more work, but it's probably a good idea.

Mr. Sample: The interesting thing is that we're being criticized because it's there, then when somebody comes with a project that they want us to fund, we're going to be criticized because we don't have the ability to do it. It all depends on which way the wind is blowing.

Mr. Peters: This is me working with Perry and both of us trying to do the right thing for the organization and for the community, I really do think that it would be good to hear from every Board member to understand if we should take action on this. If there is anyone who thinks it's not enough and we should cut more; like Professional Development. I think nothing would make the politicians happier than if we would just wipe that out and say, "No conferences. No educating yourself." Or if we made it so diminished, a couple thousand dollars to go to the P4 Conference in Pittsburgh, or \$500 to go to some conference somewhere else; that's the only other spot that I saw that I thought we could really cut more deeply if need be.

Mr. Sample: With clear conscience, if we want to do our job, then I don't see how we could take any more out of that. We need that ability.

Mr. Peters: How much do you really think you'll spend on those items?

Mr. Wood: Maybe nothing, this year above what's already been expended.

Mr. Peters: Anyone who has ever done a budget knows it's a guess. We're looking at past performance and hoping that we can meet a target, both on the revenue and on the expense side. But if you don't have anything planned, and we're already a quarter through the year, maybe that gets cut even further to \$5,000. I'm frustrated with this. I'd love to hear from that end.

Mr. Breneman: On this, I would advise passing as is, but I will save the rest of my comments for the time set aside for Council comments.

Mr. Domino: I think you have to do what they say whether you agree with it or not, because you're not going to win anything if you fight it. If they want to cut Professional, I agree that we should have Professional, but if you need to cut some things, then you just need to cut them so you can survive.

Mr. Paris: By cutting those things, are they winning? I don't like it; and I don't like cutting. There are certain things here you can cut, but you can't plan on things. You can cut Books, Subscriptions, and Dues, yeah, you can cut that. When something comes up, what do you do then? I don't like cutting all this stuff out.

Mr. Barney: I don't like being bullied but I understand the fact that we're trying to be accommodating. Professional Development, I probably would have gone half, if Perry's not planning anything. But then they're going to frown when we have a lot of things planned and we look for an increase or we go over budget.

Mr. Bagnoni: Whatever it takes to get this done. If we can get it done, I think we should do it.

Mr. Peters: I would like to make a motion on my own proposed budget here that the Board amend the budget as presented with two additional changes. I would like to cut the Professional Development from \$16,000 to \$5,000 for the remainder of this year since we haven't spent anything and there's nothing planned at this point. I would also like to propose that we make a cut to Books, Subscriptions, and Dues to \$5,000 from \$7,000 and just ask the staff to tighten up a bit.

Mr. Wood: Tim, should this be a revision to the Resolution that passed our budget?

Mr. Wachter: You could make a motion at this point to amend the budget based upon these numbers.

Mr. Peters makes a motion to amend the budget as specified. Mr. Barney seconds the motion. Motion carries 6 – 1, with Mr. Paris not in favor.

- b. Regional Assets Committee – There was no meeting of the Regional Assets Committee.
- c. Strategic Planning Committee – There was no meeting of the Strategic Planning Committee.
- d. Update from County Council – Mr. Breneman: I would like to address a couple of things. First off, let me point out the fact that County Government incorporated ECGRA in 2007 with the role to perform the functions of the county’s economic development authority. Last year, July 11, 2016 all members of County Council sent a letter to our State Legislators asking them to support the continuation of local share to be in the joint hands of Erie County government and ECGRA. Furthermore, on June 16, 2017, as your Executive Director pointed out, members of County Council met with Sen. Laughlin and a representative from Sen. Brooks’ office, where members of Council and everybody addressed issues of transparency and cost and budget. Overwhelmingly the clear majority of Council members advocated for the continuation of ECGRA and gaming share as it is.

Furthermore, I would like to point out the absurdity of this witch hunt by members of the State Legislature, given the fact that among all 50 States, only 10 have full time legislators and on average, those states have 1,200 staff members for that legislature. However, Pennsylvania has 3,000 staff members. I would say, on average, 5 members of staff per state lawmaker.

Furthermore, on July 6, 2017, the credit rating agency S & P gave Pennsylvania a reduced rating – they are on a negative credit watch – stating that, “Pennsylvania has repeatedly had protracted budget negotiations that have failed to result in structural alignment and a decreased credit rating with increased borrowing costs for the State.”

Additionally, the Sunlight Foundation released an open legislative data report card in March 2013, giving Pennsylvania a grade of “C” in the report on transparency; on adequate, complete, and accessible legislative data to the general public.

I would point out that the price tag of the State Legislature, which is the most expensive and second largest in the country, is currently at \$300M. Also, they have surplus funds that rollover into the next year that is not touchable. That way they continue to get paid whether or not they do their jobs.

Also, I would like to point out that there have been no public meetings, there have been no official meetings between County government and our State Legislators on the topic of changing anything or addressing even overhead costs when it comes to ECGRA. Such matters have been discussed behind closed doors and actions taken by our state legislators have been done without transparency.

I have never seen or heard of anybody in County government that has officially received any complaint or concerns by our State legislators or have any requests from them to follow-up on such issues.

Furthermore, with such a big staff that each State Representative has, it is surprising that they couldn’t send at least one person to the meeting that Sen. Laughlin held. I think it’s disingenuous when we hear in the public from our State legislators that they have a concern about the costs when I have never seen them at meetings, except for one to advocate for funding. I have never heard or fielded, nor has my office which represents all of county

council, received any concerns or communications from our State legislators on gaming revenue, etc.

I would point out that given what I said a little bit ago about the importance of the way County government has advocated for the continuation of what we have, we owe where we're at now legislatively due to the hard work of ECGRA, not because of anything that anybody in County government has done, because frankly we haven't done jack. The fact that gaming revenue is at least expected to remain in Erie County, regardless of where that share goes, we owe that to the hard work and dedication of the ECGRA Board, and the ECGRA staff, and the work that you guys have done.

As appointees of County Council, I must thank each and every one of you for your due diligence and your hard work, particularly the transparency and the many discussions you have regarding the investment of these funds. I can tell you with absolute certainty that County government does not give the same weight of consideration for the clear majority of our gaming funds. You can attend the public meetings this fall.

Since I've been in office, I've advocated for more stringent grant follow-up, grant guidelines for those funds that we expend. I can tell you in my experience and something that I am not okay with that year after year, the funds that are dispersed by County government in the gaming revenue line items are rubber-stamped each time with minor changes here and there. I have seen tens of thousands of dollars of gaming revenue passed with no debate by County government and to be rubber-stamped the following year.

I must say that County government was in their right mind in the creation of ECGRA and the advocacy for the continuation of ECGRA. Furthermore, because of the danger that represents these types of economic development funds in the hands of pure political decisions, based on what I had said beforehand, but also because it is a regular practice for those appointments, which if this was in the hands of the County, it would be a political appointment and you could see by looking at campaign finance reports that it is common practice for department heads etc. to give donations to elected officials in Erie County. It also begs to question as to whether the decisions made by those department heads are done so with the hope that they would continue to have their jobs.

Also, when you have campaigns for County offices, they're already discussing and having to pass the previous elections before even being elected, discussing who would have what department position. I think with all that gathered, the taxpayers and the County is best situated to continue the current structure that exists with ECGRA serving as the economic development arm of the County and doing so in a way that is far more transparent and cost-effective than any county department and any other authority of similar or larger budgets and one that you all deserve credit for.

That concludes my update and report and I would be happy to answer or respond to any questions for clarity, etc. I would also ask that the entirety of my statements is entered verbatim.

Mr. Sample: Thank you. I appreciate that, Jay. You have always been one that has been by our side and very supportive, and not shy to correct us when we're wrong. We do appreciate that.

- e. Update from County Executive's Office – Mr. Lee is not in attendance today.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Wood: There is an Executive Director's Report on your SharePoint site. It is detailing revenue flow, it's detailing the cumulative grants report, correspondence that we have received from County government and other members of the community, and there's also an archive of media interactions that ECGRA has had. I'd be happy to answer any questions about those. If there are none, that concludes my report.

SOLICITOR'S REPORT

Mr. Wachter: I have nothing to report.

OLD BUSINESS

No old business to report.

NEW BUSINESS

No new business to report.

ADJOURNMENT

Mr. Barney makes a motion to adjourn. Mr. Yapple seconds the motion. Motion carries 7-0.