



## **Erie County Gaming Revenue Authority**

### **Minutes of the Board of Directors' Meeting February 17, 2022**

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

#### **CALL TO ORDER**

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on February 17, 2022 at 5240 Knowledge Parkway, Erie, PA 16510. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

#### **ROLL CALL**

Mr. Barney, Mr. Cleaver, Mr. DiPaolo, Ms. Hess (arrives late), Ms. Loll, and Mr. Sample are present via Zoom. Mr. Wachter is present via Zoom, and Dr. Wood is present in person.

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

Mr. Sample makes a motion to approve the agenda. Mr. DiPaolo seconds the motion. There is no discussion of the agenda. Motion carries 5-0.

#### **APPROVAL OF MINUTES** – January 2022

Mr. Sample makes a motion to accept the minutes as presented. Mr. DiPaolo seconds the motion. There is no discussion on the minutes. Motion carries 5-0.

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

There are no comments by anyone from the Board of Directors at this time.

### COMMENTS BY THE CHAIR

Mr. Barney has no comments at this time.

### PUBLIC COMMENT

There is no public present.

### PRESENTATIONS

There are no presentations scheduled.

Ms. Hess enters the meeting via zoom.

### COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Cleaver: Thank you, Mr. Chairman. You all have a copy of the January finances in front of you; if there are any questions, I'm pretty sure we can answer them. If not, I have another item to address.

It's getting close to the 2022-2023 budget, and I met with Perry, and we put together a draft with some recommendations. This is to be looked at, reviewed, discussed, and then finalized. There are three item changes that we addressed in the upcoming budget, and one was Personnel, which as you can see is a slight increase. Perry is under contract, but the two other employees, there is a minimal increase. Another thing was that our auditing is based on quarterly so we can save \$7,500 because we are only required to have one a year. The last one in there is an upgrade on equipment, basically for our computers. It's sort of looksee, but those items are for your review. Any additions, subtractions, and naturally comments, are welcomed, but we have to get prepared to move on for the 2022-2023 budget.

Like I said, if there are any questions, I'll try to answer them. If not, then Perry will be able to.

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

Mr. DiPaolo: I have a question, Mr. Barney. What Mr. Cleaver just explained about the three items for next year, what is the percentage for the raises? He just stated that it was minimal.

Mr. Barney: I'll let Mr. Cleaver share.

Mr. Cleaver: Three percent; I incorporated 3%.

Mr. DiPaolo: Okay. That's fine. That's all I wanted to know. Thank you.

Mr. Barney: Thank you, Dom. Are there any other questions?

Mr. Cleaver: Perry, are we going to meet next month on this preliminary budget? I mean are we going to set a date? I know we have to sit in without the employees available and I don't know if it's good to have this thing on zoom or not. I just want some type of direction on what we're going to do here. I know it's a couple months away, but we want to discuss it quickly.

Dr. Wood: Typically, what we do is the Board gets exposed to it in February. This is the first chance for the Board to see the draft budget and ask any questions. As you can see from the line items, there's really not much change. This is your first opportunity to see the draft budget as a Board, as presented by the staff, to ask questions, to have discussion as a Board about it. The personnel increases can be handled in one of two ways. We can talk about it right now about how it's a cost-of-living increase. The research basically shows that the Consumer Price Index went up 6% . . .

(Recording cuts off briefly but Dr. Wood says the Board can take the issue into executive session. Recording resumes) . . .

I haven't heard any questions from the Board. So, it's completely up to the Board about how you want to handle it. We could have a separate meeting to discuss it, or we can take the recommendation of the Treasurer into executive session. It's up to you.

Mr. Cleaver: If I may, Mr. Chairman, I would like to have a separate meeting where just the Board members are present so they can discuss or air out anything that we may want to and get some information. That's my opinion.

Dr. Wood: Do you want to have a separate meeting with the Director, or just as a Board, without any staff present?

Mr. Cleaver: With the Board.

Dr. Wood: Okay. Why don't you just go into executive session right now and air it?

Mr. Cleaver: It's not up to me; it's up to the remaining Board members what they want to do. That was just my suggestion.

Mr. Sample: I guess my opinion is 3% is definitely in line. I don't know any reason at this point that we would need a separate meeting. If that's the flavor of the Board, I would go along with it. And I agree with getting away from the \$2,500 per quarter on the audit. We did that from before and it's never brought any fruit forward, so I think we should just go to once a year.

Mr. Cleaver: Perry, I have a question. What's the length of your contract?

Dr. Wood: I have two more years left on the contract.

Mr. Cleaver: Two years left on the contract, with automatic increases. That was approved by the Board a couple years ago?

Dr. Wood: Tim can explain it. There is a formula in there that basically says there's a calculation each year based on the Consumer Price Index, and if the CPI goes up by a certain percentage, that is how my compensation is adjusted. If it goes higher than 3%, it is limited to

a 3% increase. In past years, it has gone up 1.5% or 2.5%; in that case, that would be the recommended increase.

Mr. DiPaolo: I have no problem with what Dave just explained. Three percent is what all the County employees received. The only thing that I would have is that if we can have a total amount of the salary after the 3% is put in there. That's all.

Mr. Cleaver: Dom, didn't you get a copy of the budget payroll increase worksheet?

Mr. DiPaolo: Do I have it? No, I do not.

Dr. Wood: Tammi, you can scroll down on the screen to the budget line and then you can all see the numbers in the budget. The total amount is \$276,400.

Mr. Cleaver: It would be an increase of \$6,710.

Dr. Wood: Yes, that is correct. For all three employees, that would be the increase.

Mr. Sample: I think that's definitely in line. I have no issues with that.

Mr. DiPaolo: There again, I don't have any problems with it either. I just request that if we could get a total amount of everybody's salary after that \$276,400 is in there. That's all.

Dr. Wood: Will do.

Mr. Sample: But if at some point somebody wants to have a meeting, I'm not opposed to it, I just don't know what we would accomplish.

Mr. Cleaver: I agree with you; I think everybody's on the same page. We can approve it as far as I'm concerned.

Mr. Barney: I'm in agreement with the 3%. I don't have a problem with that.

Dr. Wood: Okay. That being said, we'll make sure we put it into resolution form for March.

Mr. Cleaver: Sounds good. My report is done. Thank you, Mr. Chairman.

Mr. Barney: Thank you, Mr. Cleaver.

b. Strategic Planning Committee: There was no meeting held.

Mr. Barney: Perry, do we have a person designated from County Council, and if so, are they present?

Dr. Wood: We do not yet have a designated liaison for the Administration or County Council.

c. Update from County Council

d. Update from County Executive's Office

## REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: You'll see the first document in the Director's Report is the communication from the County, from the finance department that gaming revenue did come in the fourth quarter. This is our standard communication with the County; we always get one of these each quarter.

The next document you see in there is a report of our activities with Parker Philips. The next documents you see are a thank you letter from Edinboro University for the Beehive grant, some recognition of ECGRA efforts in the Our West Bayfront neighborhood, and then we always follow up the report with some newspaper clippings. Let's stop right there on the Davis article. I want to have a brief discussion with the Board on this - "Davis Seeks to Rebudget ARP Funds".

We currently are in possession of \$4 M in ARP funds for the fiscal year 2021. I just want to have a conversation and clarify this with everyone so we're all on the same page. The County calls those "transformational grants or transformative grants". The staff set up a three-pronged approach to analyzing transformative grants; one is in the area of entrepreneurship and small business, the second is in the area of placemaking, and the third is for community facilities, community centers, and community programs. That was negotiated with the Planning Department and members of County Council in November/December of last year. The contracting was finalized and then the money was sent over to us.

The next step in that process is for the staff to finalize the guidelines for the program to send them to the Board for discussion purposes. We will also send them to the County Planning Department because we made a commitment that we would include them in our communication. This is unusual because normally as an organization we are autonomous; we develop these in isolation. In reality, we always get input from folks outside the organization, as I think is best practice, whether it be from stakeholders that will be applying for it someday or other elected officials who may have a special interest in what we are doing. That's the next step with our current \$4 M.

This article that you're seeing here is not a reflection on the 2021 monies; this article is a reflection of 2022 monies. What happened in December was County Council passed two years of programming in Ordinance form for ARP funds. The 2022 ARP funds don't physically arrive in the County coffers until the May or June time frame. At that time, we have the ability to drawdown on those funds based on our existing contract with the County and to continue transformative grantmaking. This would be Round 2 of the funds.

What the Davis Administration is potentially proposing is a reallocation of those ARP funds. Now, there have been a couple of iterations of their plan. The article that you're seeing here never even mentions ECGRA, although we are considered as one of the groups they wanted to pull funds back from entirely. However, they have subsequently come up with other proposals, one of which was made public at the last County Council meeting, and it was a proposal to keep ECGRA within the 2022 ARP funds. I do believe that's a result of several conversations I have had with County Council members, with the Administration, and conversations that some of you have had with your representatives on County Council and potentially with the County Executive that I don't know about. But I would say, let's keep up communication in that area, let's continue to talk and see where it goes.

Nothing has been finalized, so in essence the Ordinance from December still stands as the law as of right now. If the Davis Administration's revising of that Ordinance passes, then we'll deal with it when the time comes.

That's a lot of information, so let me pause there to see if the Board has any questions.

Mr. Sample: Perry, correct me if I'm wrong. The Davis Administration just didn't feel that those funds should have been spent in an eleventh-hour situation. I honestly believe that the Dahlkemper Administration – I don't even think they thought about that - they were just trying to get the funds out, get them used, and make a plan and you can't do a plan for year one if you don't know if you have year two funding.

I appreciate the concerns; I just hope that they – they have plenty of time to consider this. I hope they don't have a knee-jerk reaction.

Mr. DiPaolo: Perry, you just explained about the money. Is any of the money already appropriated for Erie County? Or did we even get that yet?

Dr. Wood: When you say appropriated . . .

Mr. DiPaolo: You said something about that the money wouldn't be here until May or June.

Dr. Wood: The 2022 ARP monies that flow from the Federal government to Erie County will not be here until the May or June time frame.

Mr. DiPaolo: Okay. But our money is already here?

Dr. Wood: Correct.

Mr. Sample: For 2021.

Mr. DiPaolo: Right. Okay.

Mr. Cleaver: If I may, there's an article in this morning's paper in reference to the County Executive, and should I call them henchmen, come in and complained about the fact that the County wasn't getting their fair share. It seems like Council is going to rebut this anyhow. I certainly appreciate the information and the comments, but I think we've got a long wait down here, well may be not a long wait but, Council is going to butt heads with the County Executive in reference to this issue to set up the spending prior to Mr. Davis coming in. I don't know if you had an opportunity to read this morning's paper, but it pretty much spells out what he would like to do. So, we just sit and wait and go from there.

Mr. Sample: Perry, if County Council opposes this, then it doesn't change?

Dr. Wood: That's correct. If it comes to some type of vote, then the current Ordinance will stand. I do want to point out though, in today's paper, once again it doesn't mention ECGRA. But I can tell you from the information I got from the meeting itself, ECGRA is back in the ARP recipient list for 2022. So, it's positive news. No matter which Ordinance passes, ECGRA is a part of the 2022 ARP funding.

I have one summarizing comment that I would like to share with you. My position in talking to members of County Council and the Administration has been to say, "We're a County Authority, we're here to be a compliment to what the County is doing with ARP funds, we're a team player, we're into collaboration and leveraging of these funds. If the County decides to go in another direction, we will be supportive." All that I have asked of the Administration and County Council is that when they need input from us, simply ask and we'll be there with research, with input, with descriptions of how we will participate in the process, and if at the end of the day they decide that we're not right for it, that's fine. We'll go back to doing what we do at ECGRA.

Mr. Cleaver: Amen, amen.

Dr. Wood: That has been our position and I'll conclude my report there. Thank you.

### SOLICITOR'S REPORT

Mr. Wachter: I helped Perry with the calculation of the raise that you were discussing in his contract, but other than that, we haven't had much discussion.

## OLD BUSINESS

There is no old business to discuss at this time.

## NEW BUSINESS

Ms. Loll: I have a couple of questions. I was reading the material we received and on the Visa bill there was a note that, I believe it said, fraud and I was wondering what was done about that.

Dr. Wood: Tammi will answer that question; she's the one that handles those issues.

Ms. Michali: Carol, when I saw that charge, I had contacted the credit card company, told them that was fraud. You will note that I believe it's next month when you get the financials that you will not see any Visa charge because they were in the process of shutting down the old card due to the fraud and issuing a new card. That has been taken care of; we were not charged those fees of roughly \$77.00. That's all been taken care of.

Ms. Loll: Thank you for keeping an eye on that card. I appreciate that.

Ms. Michali: You're welcome. I treat it like it's my own.

Ms. Loll: I have one more question. Did I understand that we were going to get a breakdown of payroll, maybe by next month?

Dr. Wood: We can send that to you today.

Ms. Loll: That's fine.

Dr. Wood: What we will send you is the three employees names, the current salary, the 3% increase, and the new salary if you adopt the budget.

Ms. Loll: Okay, thank you.

Dr. Wood: The only other things that will be new next month is we will pass the budget and approve the Special Events funding, which hasn't closed yet. Tom, when does that close?

Mr. Maggio: At the end of the month. We currently have about 12 applications and another 12 in draft, so I don't think we'll exceed last year.

Dr. Wood: I also think it's worth our time to have a separate zoom meeting to gear up strategic planning and to talk about the ARP funds application process. I want the Board to review it before we send it to the Administration for their input, and then I'll bring it back to you if they make any substantial changes to it.

Mr. Barney: I should have spoken during Old Business but was just wondering, did anything materialize? I know you put forth effort and time to set that up and I'm wondering if that was a waste of time or if that's being utilized. Did Edison Nicholson's group, or Corry, or any of the entities that we were setting it up to have in place for, have any of them done anything else?

Dr. Wood: The only group that has taken advantage of that so far is the Youth Leadership Institute.

Mr. Barney: That's one, but I know we were doing it for a few. Now, the situation for out there in the County, for Corry, are they not going to go forward?

Dr. Wood: They have decided not to drawdown because they did receive the grant funding they were waiting on.

Mr. Barney: Super. Just thought we should let people know.

Dr. Wood: That doesn't mean that they won't, it just means that right now they have decided not to.

Mr. Barney: Okay. And it's there; it isn't hurting us one way or another.

Dr. Wood: So is the UECDC (Urban Erie Community Development Corporation) application. Hopefully that will come in soon as well, unless they have worked out a special cash-flow arrangement with the school district.

Mr. Barney: Okay. If they don't need it, cool. It was just there as a safety net in case some entity needed it. Is there anything else?

#### ADJOURNMENT

Ms. Sample moves to adjourn. Mr. DiPaolo seconds the motion.