



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

June 20, 2019

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on June 20, 2019 in the Jordan Room; 5240 Knowledge Parkway; Erie, PA 16510. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Bagnoni (via zoom), Mr. Barney, Mr. Cleaver, Mr. DiPaolo, Mr. Paris, Mr. Peters and Mr. Sample. Mr. Wachter and Dr. Wood are also present.

APPROVAL OF THE AGENDA

Mr. Peters makes a motion to approve the agenda as presented. Mr. Sample seconds the motion. There is no discussion of the agenda. Motion carries 7-0.

APPROVAL OF MINUTES – May 2019

Mr. Peters makes a motion to approve the minutes as presented. Mr. Sample seconds the motion. There is no discussion of the minutes. Motion carries 7-0.

DIRECTOR'S COMMENTS

There are no comments at this time.

COMMENTS BY THE CHAIR

Mr. Paris has no comments at this time.

PUBLIC COMMENT

There is no public comment.

PRESENTATIONS

There are no presentations.

COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Barney: Good morning, everyone. Hopefully everyone has had the opportunity to look over the Treasurer's report. I will go through some highlights and try to make this as painless as possible. On the Profit & Loss statement for May 2019, you'll see we have our first quarter payment and it's indicated in year-to-date and they are the same. Then going down farther to Contracted Services at \$13,574.90; that's based on the audit payment, Ridge Policy Group, and legal expenses. Farther down under Other Income Expenses, you'll see the first payment with the municipalities was made. We made that payment right away as we always do when we received the first quarter payment.

Going down a little farther you'll see the Multi-Municipal Collaboration payment of \$100,000 to the Civic Leadership Academy. Mission Main Street, which is Union City, for \$75,000, and the Summer Jobs Program. It should be noted that that is the last payment of last year.

Turning over to the Balance Sheet – you'll see the Committed Funds that we can't touch, Restricted Funds that we can't touch for 12 months, and you've got the Unrestricted Funds which is the Erie Bank Savings. We've already pre-paid our insurance and you'll see that a little farther down. If at any time you have any questions, don't hesitate to stop me.

Statement of Cash Flow shows nothing out of the ordinary. Budget vs. Actual shows Professional Services, that's Parker Philips. The Books, Subscriptions & Dues is the Nonprofit Partnership membership, that's why it looks high because we updated that. Farther down under Meeting Expenses, that's the Strategic Planning meeting and the Anchor Building workshop and that's why that expense is what it is. Then in Outreach, that is for the new banner pull ups.

Mr. Peters: Can I just ask one question before we move off of that? The Accounting Fee, is that a timing thing because we're pretty early in the process?

Dr. Wood: That's the audit.

Mr. Barney: That's the audit, which I'm going to present to you to look over, formulate questions if you have any, and they will be present which I will tell you later on.

Dr. Wood: It is also the quarterly payment.

Mr. Peters: What we might want to do, because we just smoothed that line item rather than budgeting it knowing when the bigger hit happens it appears. It's only June and we're barely into our year yet and we're at 82% of our budget. My only suggestion is as we put together the budget for next year in the system, we balance it based on when we know we're going to have a bigger fee because of the audit. It's showing that we're \$9,500 year-to-date and our budget is \$11,500. I think we should just have a balancing of when those charges come in.

Dr. Wood: It's an up-front line item.

Mr. Sample: When we budgeted last year, then it was requested that we do the quarterly's.

Mr. Peters: I remember all that. The budget number is fine. I'm just saying that if we know that around our second quarter we are going to get hit with both a quarterly and an audit, then we should maybe budget a little heftier earlier in the year so that it doesn't look like we're trending so far out of whack. We know when the big months are going to come, right?

Dr. Wood: Yes.

Mr. Barney: Moving on to the Schedule of Grant Reserve, you see on the first page that we haven't done anything so there's nothing on that page. On the back page, you'll see the municipality settlements at \$93,000 with the breakdowns of who actually received what.

Mr. Peters: This is more of an operational question, but I assume that when we do the settlement payments, we're still sending that letter that says, "here's the law and here's what you're supposed to do with the money."?

Dr. Wood: We do. We've been sending the same letter for several years. They get it four times a year.

Mr. Barney: Then you also see the Leadership Academy payment and GECAC's final Summer Jobs payment. If you notice for the Summer Jobs, that is one entity that did not draw down all that was allocated to it. Does that stay there with them or does that come back to us?

Dr. Wood: It comes back to our general fund.

Mr. Barney: I just wanted everybody to be aware because there's \$2,358.68 they didn't utilize.

Dr. Wood: I guess I would just note that amount is for 2018. The 2019 drawdown hasn't begun yet.

Mr. Barney: Right. And the program has started; I ran into a few recipients of Jobs and the program is up and running. If you happen to run into anyone, ask them what they think and how it's going and get it first hand from the youth that we are providing this for.

Mr. Cleaver: Did they add additional employees this time? Didn't the number increase?

Mr. Sample: The last time Gary talked, I think they were going to try and max at 185. I know that in Corry we have people that have signed up and I want to talk to Gary about it but things seem to fall by the wayside and some of them didn't end up in it, so I think their number is going to be smaller.

Mr. Cleaver: Well, did they get called or was it an oversight?

Mr. Sample: I'm not sure. The one situation that we had and that Perry had to deal with very early on was and even before GECAC is they take these kids who are underprivileged or sub-poverty level and the first thing they told them was that they would have to go to Erie three days to do the training. Then Perry made some calls and Corry and Union City - it was orchestrated that they could go to Union City to do the training. But this year, I know that most of the work in Corry had been done by the school district in getting the kids lined up. I don't think there's a real concentrated effort. I know that that fell by the wayside with the transition

of employees. I know of three kids that just ended up going elsewhere. If they got other jobs and other employment, that's good because we're trying to get an exit interview with some of them and we just haven't been able to make contact.

Mr. Barney: The Check Detail report doesn't show anything out of the ordinary unless something jumps out at you that you would like to discuss. Then we have Perry's visa card with the charge for the Phone and IT and then we've got Tammi's with office supplies. There are a couple big charges on hers and those are annual charges for Phone and IT.

I did have one other issue when I was discussing things with Perry pertaining to a line item that sometimes gets overlooked because we don't do it every year and then when the year to do it comes up, we may be a little behind the gun, so he would like to discuss that a little bit further.

Dr. Wood: Thank you, Mr. Barney. We use Foundant Technology for our online grant making system; that's what all of the applicants are logging onto, creating profiles, and filling out grant applications and then they get aggregated and everybody from the Board gets a chance to review them on line. This software has been running in a two-year cycle, so we renew it every two years at a cost of \$9,800 for the two-year period. We did not budget this year for the payment, so it would be a \$4,900 payment to Foundant. There is a specific Grant Management Software line item that just didn't make it onto this budget; the staff forgot to put it on there because it's an every other year thing. We would like to ask you to approve the \$4,900 payment to Foundant so we can continue to use the software.

Mr. Cleaver: Who's the company?

Dr. Wood: The company is Foundant Technologies.

Mr. Cleaver: Local?

Dr. Wood: No, it's not local. There is actually no one local who can do this type of work.

Mr. Cleaver: You actually answered my next question.

Mr. Sample makes a motion to approve the payment to Foundant. Mr. Cleaver seconds the motion. There is no further discussion. Motion carries 7-0.

Mr. Barney: Thank you, Mr. Wood. I would like to say that the oversight won't occur because we're going to put that line item on the budget every year going forward. That concludes my report.

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

Mr. Barney: There is one last thing I would like to say. I reviewed the audit and the individuals will be here next month to answer any questions that you make note of.

Mr. Paris: Thank you, Dale.

- b. Strategic Planning Committee: There was not a meeting of the Strategic Planning Committee so there is nothing to report.
- c. Update from County Council: Mr. Leone is not present so there is nothing to report.
- d. Update from County Executive's Office: Mr. Lee is not present so there is nothing to report.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: You'll see a report on SharePoint with the activities of Ridge Policy Group; you'll see some information in there on one of the key initiatives that we seeded a couple of years ago. The Innovation District is making tremendous progress as you'll see in some articles in there. The 2020 Census Program is moving forward; it hasn't quite launched yet, but you'll see some information about that. There was a Bridgeway Capital event that took place to celebrate local entrepreneurship and the programs that they're working with ECGRA on. There is also some recognition from the Erie Homes for Children and Adults concerning the Partners Enhanced program.

I'm going to keep it light because I think the majority of the discussion today is going to take place concerning the bylaws. We didn't have a Strategic Planning meeting but if anyone has any questions about ECGRA activities, I'll take them at this time.

SOLICITOR'S REPORT

Mr. Wachter: I had reported to you in the past that we were doing a Social Security compliance check and we have communication back from the Pennsylvania State Administrator for the Social Security and what they've identified is that we don't have what is known as a Section 218 Agreement on file with the Social Security Administration but ECGRA is not required to have that at this time.

If you remember why we did this, when the Social Security Act was originally put into place said that if you have access to a government style pension system, you're not going to get Social Security because Social Security is for everybody else. That of course went over as well as you thought it would have and then we get into this situation later in the 50's where they're having government entities enter into these what is known as Section 218 Agreements allowing government entities to opt into withholding Social Security in addition to having their government pension system.

When ECGRA was formed, we didn't have a Social Security approval because nobody has done anything with this since the 60's, nobody has looked at it and we hadn't even thought about it, so we did a compliance review. We've check and what the State Administrator has said is that ECGRA was formed after a certain cut-off date so you're not required to have an agreement and ECGRA doesn't have a government style pension system in place, so you're not required to opt into Social Security and you would automatically be enrolled into Social Security. You are compliant with how you are operating at this point. We have documentation that's in a file somewhere at the Authority and if not, I have copies of it.

OLD BUSINESS

- a. By Laws: Mr. Wachter: I believe that you have received written notice that the Authority is to consider adoption of bylaws today. I provided the full bylaws that were reviewed by the full

committee on May 1, 2019. There were no revisions or comments that have been provided to me since that point so, as part of the notice that went out . . .

Dr. Wood: Can I just comment that the staff worked with Tim to make sure that the discussion and the amendment of bylaws strictly followed the procedures in our current bylaws, so you have received in the mail this memo and two versions – a red-lined version and a proposed adopted version based on the red lines. You technically have both of them and you have hard copies in front of you for today's discussion purposes.

Mr. Wachter: We've been over these a few different times and I believe these bylaws to be compliant with not only the Home Rule Charter relative to the operation of the Gaming Authority but also with the Horse Racing Development Act and the Economic Development Financing Law. If there are any questions, I would be happy to answer them.

Mr. Cleaver: I'll just make one quick comment. I had one concern basically from experience, but you explained it to me. I was under the impression that County Council has the appointments of the Board and according to the bylaws, it says the County Executive then with the consent of County Council. I was not aware that was a fact. Again, you read the Home Rule Charter to me but that was the only question I had on how this was set up.

Mr. Wachter: Just so everybody's clear, the history and practice and tradition of appointments to Authorities from the County have been that each individual member of County Council appoints someone, so you have one member per district. The Home Rule Charter, under the Gaming Authority, specifically says that members are to be appointed pursuant to Article 3 Section whatever of the Home Rule Charter. If I go there, what that says is the County Executive shall appoint and remove members of the County Authorities but only with advice and consent of County Council. They have taken that language and turned it into the tradition of County Council saying to the County Executive – essentially what's occurring is, "Here, appoint my person." The County Executive has done that.

So, Mr. Cleaver, you are correct in that that is the practice as to how it has occurred but our language is reflecting the Home Rule Charter.

Mr. Cleaver: Ok. You had explained it to me, but I was just curious when I read that. No problem. How up to date is that Home Rule Charter that you have?

Mr. Wachter: It's only been amended once since 1978 and the amendment was to put in term limits for the County Executive and County Council. So, the language I have is up to date.

With that said, if there are no other comments or concerns, the bylaws are in front of you, they are under Old Business and I believe it is an action item, Mr. Paris.

Mr. Sample moves to adopt the new bylaws of the Erie County Gaming Revenue Authority. Mr. Barney seconds the motion. There is no further discussion. The motion to adopt the bylaws carries 7-0.

Mr. Wachter: The clean copy that you have there Mr. Wood, will need to be signed by the Secretary on the last page, indicating that it was approved. That will then become the official record of the bylaws for the permanent records of the Authority. Then if you could scan a copy of the signed and sealed copy so I can have a copy for my records as well.

NEW BUSINESS

- a. Grant Management Software – Dr. Wood: We did end up dealing with the grant management software under the Treasurer's Report.
- b. Draft Audit – Dr. Wood: I would just like to say with the Draft audit that it has been produced for the fourth quarter by Maher Duessel. It's been reviewed by the Solicitor for legal comments and that has been incorporated. The staff has reviewed it several times. This is your opportunity as a Board to review it now for the next thirty days and at the July Board meeting, the lead auditors from Maher Duessel will be here to answer any questions you may have. Please take some time and review it. If you want to send questions ahead of time for Maher Duessel to answer, that would be great. If not, we'll deal with them at the July Board meeting and seeing no major changes or revisions, we'll have it in resolution form to be passed at the July Board meeting. At that point in time, the audit is then memorialized for the year and is sent to County government for official records. Are there any questions about the audit?

Mr. Cleaver: Do you go to County Council to present this or is it just thrown in the mail and goes from there?

Dr. Wood: We put it in the mail to all seven members of County Council, as well as the County Executive's office, the County Controller, the County Clerk, and the Director of Finance.

Mr. Cleaver: Do you go to County Council with a report from ECGRA annually, semi-annually?

Dr. Wood: We do have a written Annual Report which was passed by the Board at the last meeting and that is also sent with the audit.

Mr. Cleaver: Do you go in person to present or ask and answer any questions that may come up?

Dr. Wood: No, I do not.

ADJOURNMENT

Mr. Cleaver moves to adjourn.