



## **Erie County Gaming Revenue Authority**

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

**November 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 January 19, 2023 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 at 8:30am.

#### **ROLL CALL**

Mr. Barney, Mr. Cleaver, Ms. Hess, Ms. Loll, Mr. Oberlander, and Mr. Winschel are present via Zoom. Mr. DiPaolo is present via phone. Mr. Wachter is present via zoom. Dr. Wood is present in person.

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

Ms. Loll makes a motion to approve the agenda. Mr. DiPaolo seconds the motion. There is no discussion of the agenda. Motion carries 7-0.

#### **APPROVAL OF MINUTES** – December 2022

Mr. Cleaver makes a motion to accept the minutes as presented. Mr. Winschel seconds the motion. There is no discussion on the minutes. Motion carries 7-0.

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

There are no comments by any Board member at this time.

### COMMENTS BY THE CHAIR

Mr. Barney: I would like to wish everyone a Happy New Year and I'm looking forward to it. I think it's going to be a challenging year, but I feel that we're up to the task.

### PUBLIC COMMENT

There is no public present for comments at this time.

### PRESENTATIONS

There are no presentations at this time.

### COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Cleaver: Thank you, Mr. Chairman. I reviewed the Treasurer's Report with Dr. Wood. There are a few items that are overspent but they are very minor; we had talked about it before with the accounting and how that fluctuates. There was also the web assignments. Other than that, everything is up to snuff and looks real good. That is the end of my report unless there are some questions.

Mr. DiPaolo makes a motion to accept the Treasurer's Report as presented. Mr. Winschel seconds the motion. There are no further questions or discussion of the Treasurer's Report. Motion carries 7-0.

- b. Strategic Planning Committee: There was no meeting held.
- c. Update from County Council: Mr. Shank is not present to give a report.
- d. Update from County Executive's Office: Mr. Smith is not present to give a report.

### REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: Good morning, everyone. I want to start with the Maher Duessel document that I believe it requires Board approval, so I'm going to ask you to do that under New Business. But I would like to talk about it right now because this will become a pressing issue in the near future.

Tim and I reviewed the ARPA guidelines as far as financial auditing goes and when you exceed a certain threshold figure within your fiscal year it triggers an audit that you then provide to both the Federal government and Erie County. We have triggered that certain amount which is \$750,000. Is that right, Tim?

Mr. Wachter: Yes.

Dr. Wood: Ok. So, an independent agency has to perform that audit under our purview. We already use Maher Duessel for our annual audit and they also specialize in local government auditing and they have an entire education wing right now around ARPA auditing. They are the only local group

that I know of that are doing webinars on ARPA-based auditing. So, we put in an email to them asking them how much it would cost for them to do our ARPA audit, and that's what you're looking at on your screen. This email tells us two things: first, it's telling us that the cost for 2023 will be going up to \$7,800 for our standard audit, and second, the ARPA audit will cost an additional \$5,500. Now, those funds will come out of the ARPA Professional Services funds that the County provided us, so it won't really affect our budget. But I do believe, since the cost is over \$5,000 that this will need Board approval. Are there any questions about the selection of Maher Duessel to do the audit?

Mr. Cleaver: We have had them for a while, haven't we?

Dr. Wood: Yes, for about five years.

Ms. Loll: We had them on County Council and they did a good job there too.

Mr. Winschel: They do Millcreek also and they do a very nice job.

Mr. Cleaver: Are you looking for someone to move on this, Perry?

Dr. Wood: We have it on the agenda under New Business, but I just wanted to discuss it now. It's probably the most pressing thing we have on the agenda here today. We'll bring it up again under New Business and hopefully I can get some endorsement for it.

Getting back to the beginning of the Executive Director's Report, you will see a letter that came down from the County Executive's office that is based on his veto. I thought it was important to include that for your records, so you have a copy of it. Basically, two forms of ECGRA funding were vetoed; one is to continue the Building a Better Future program that was for \$3M and the second was \$737,500 for the Beehive concept. It was vetoed – it needed a 5-2 vote to be overridden to stay in the budget. It did not get a 5-2 vote, it got a 4-3 vote. So, I wanted to make you aware of that if you didn't already know. That veto was for the Building a Better Future.

The Beehive Network funding was overridden with a 5-2 vote so the County is going to have us administer that \$737,500 for the Beehives. Now this is interesting because typically we have a grant application process, folks come in and present to us and then we decide whether or not they are worthy of the funding. But in this case, County Council said that they liked the Beehive concept so much, which started here at ECGRA, that we want to provide them with a direct line of funding; almost like a line item. It's coming from ARPA though and they want us to administer it.

I'm going to go ahead and schedule the Beehives to come in and present to our Board. It's a different situation though because we already know that they are going to receive money, but we don't know how much they're going to receive, how we're going to distribute it to the five Beehives. I think the presentations are important on a couple levels. (1) If you're not familiar with the Beehives, it's a really important concept for Erie County small businesses; this will be a great opportunity for you to interact with those folks and ask any questions. (2) We will have some level of discussion on how the \$737,000 is distributed to the five Beehives.

I will also tell you, it's not enough money. We probably need closer to \$1 M in order to make sure that they function properly. We also need to consider that these are three-year grants. The staff will come back to you with a proposal on that when we get the money in hand, but in the meantime we're going to ask these Beehives to come and present to us, which will be in February. I believe you all got an email about it from Tammi, as she is in the process of scheduling it.

Let me pause there and ask if there are any questions about the County Council veto situation or questions about the Beehives.

Mr. Barney: I have a question. You say they're going to get the money, but who is going to determine how it's distributed? Is it still just going to be a pass through from us to them and they're going to determine the breakdown?

Dr. Wood: No, we are going to determine how much funding each of the Beehives receive.

Mr. DiPaolo: What about the \$3M, Perry?

Dr. Wood: The \$3M is not coming to ECGRA. In essence, there is \$3M in the budget that was passed, it just won't be coming to ECGRA. There is no clarity on what will happen with that \$3M – who will administer it, where it will go. The intention from the County Executive was to have the Administration directly administer the \$3M instead of a third party entity like ECGRA, the RDA, or some other county-affiliated group.

Mr. DiPaolo: Wow.

Dr. Wood: I know it's disappointing, but you can't win 'em all, right?

Mr. DiPaolo: How many places does that affect us in giving people grants and money?

Dr. Wood: The original intent was to continue the Building a Better Future program with the additional \$3M and that's why we did the rural listening tours last summer. So, those groups are all going to be affected, but if there is some other grant program created, they can go apply there. But when we inquired, "if we're not going to get the \$3M, where's it going to go, how's it going to work?" because folks are going to be asking us these questions. The answers were, "we don't know, we have no process in place, we have no criteria, we have no grant programs, but we'll figure it out."

Mr. DiPaolo: Alright. Thank you.

Mr. Barney: There is a time frame for them to figure it out, right?

Dr. Wood: That is true. Tim, this money has to be distributed and then spent by a certain time.

Mr. Wachter: The money has to be committed by December 31, 2024 and spent by December 31, 2026. If it fails to be committed by the end of 2024, then it is to be returned to the United States Department of the Treasury. If it fails to be spent by the end of 2026, it also needs to be returned to the Treasury.

Dr. Wood: Next in the Director's Report is the agenda for that meeting in which the override took place. As you can see, my name is on the list of speakers. I went and spoke on behalf of ECGRA to administer these funds. I don't do that very often; it's once in a blue moon. The majority of my communication with County Council takes place offline in order to make sure that they have a level of comfort with what we're doing and they can ask me any questions in a non-public setting. However, I felt it was important in this circumstance to go on the record. I want to stress again that this is something I rarely do.

The next is a letter to County Council from Mr. Cleaver that I presented as part of my speech to county government; it was a very well-thought out letter endorsing ECGRA. I'll let you read that in your spare time. Up next we have a quick overview of what's going on with Infinite Erie, a project that we're sponsoring. Infinite Erie has chosen the Chamber to lead their Inclusive Entrepreneurship delivery concept. That's really important to us since we have a small business grant and we work in the small business ecosystem community. I've been attending those meetings to see what's going on and making sure that everything is going in the right direction and participating. I think the small business ecosystem is really important for us to continue to support, as we just made huge grant dollars to it just last month in December. We will be doing it again when we put money out there for the Beehives. Then you will see just a little more information about what that delivery team is and the participants in that program.

Let's wrap it up with a couple of perfunctory things here, one being a letter from Knox Law Firm on bidding thresholds. I always keep a copy of this by the phone in case we ever need to refer to it. This has to do with when bidding thresholds kick in. Notice I didn't go out to bid on the Maher Duessel audit, for example, because it's a professional service and it doesn't require us to go out to bid. That doesn't mean we should never go out to bid, but in this particular circumstance, we already had an existing relationship with them; it's really an extension of their contract. This is the kind of document that would guide me in that process.

Finally, you'll see the report from Parker Philips and our communications. That's all I have for the Director's Report. I will open it up at this time to any comments or questions. Hearing none, I just want to end with something that I don't think I say often enough and that is, thank you. I appreciate you all. I appreciate the time and effort that the Board and the staff put into the organization. While I'm out there receiving tremendous compliments from all the people that we work with, it's a reflection on you and your leadership to the organization. I just wanted to take a moment and say Happy New Year and thank you all for the time and effort you put into ECGRA.

### SOLICITOR'S REPORT

Mr. Wachter: I was prepared to enthrall you with the federal code as it relates to the auditing requirements, however Dr. Wood stole my thunder.

### OLD BUSINESS

There is no old business to discuss at this time.

### NEW BUSINESS

- a. Maher Duessel agreement for additional audit fees (ARPA)

Dr. Wood: I will just need a motion on this.

Mr. Cleaver moves to approve the agreement to have Maher Duessel perform the additional audit concerning ARPA funds. Ms. Hess seconds the motion.

Ms. Loll: Do you have an estimated amount of time this may take them concerning the \$5,500? Is this going to be a week, or how long are they going to spend on getting that audit together?

Dr. Wood: I do not have that answer. Tammi, do you know?

Ms. Michali: I am going to assume that it will take approximately 3-5 business days to complete the ARPA audit. The regular audit usually takes about one week to complete.

Ms. Loll: Thank you.

Dr. Wood: That being said, our fiscal year ends at the end of March. During that time, we prepare documents for the auditors. They will be working on the ARPA audit in parallel because it is based on our fiscal year. I imagine we will have a draft completed for you to look at in June. June

is typically the time frame that we get a draft back and the way the process works is we bring the draft back to the Board, we have Maher Duessel come in and present, . . .

Ms. Loll: They have done that for Council too.

Dr. Wood: Excellent. It's the same process then. They come in and give a presentation, the draft is distributed to the Board, if the Board has any questions they can ask them at that time or they can ask Maher Duessel directly in follow-up if they think of things later or they don't want to bring it up in the meeting. If there are any revisions that need to be made, which I can't think of any revisions that have ever been made; maybe some minor tweaks. Tim and I look at it every year and maybe make a tweak or two. Then it would go to final Board vote in July.

Ms. Loll: What I like about Maher Duessel is the fact that if they find something that is being done in a way it shouldn't be done, they make a recommendation to correct the process of doing that.

Dr. Wood: Yes, they do. And that would come in the form of a letter . . .

Ms. Loll: Right.

Dr. Wood: That letter typically says there were no major findings but we're going to make a couple recommendations to tweak this or that.

Ms. Loll: Right.

There is no further discussion or questions regarding the agreement of the \$5,500. Motion carries 7-0.

Mr. Barney: We promised short and sweet but we don't want to move too fast if anyone else has any comments or anything for the good of the order. Hearing none, I will just remind you that the next Board meeting will be held on February 16<sup>th</sup> but we will see each other before that because of the Beehive presentations coming up.

## ADJOURNMENT

Mr. Cleaver moves to adjourn. Mr. Winschel seconds the motion. Meeting is adjourned at 8:51am.