



## **Erie County Gaming Revenue Authority**

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

**December 13, 2018**

#### **CALL TO ORDER**

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on December 13, 2018 in the Board 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 phone – late), Mr. Barney, Mr. Cleaver, Mr. DiPaolo, Mr. Paris, Mr. Peters (arrives late), and Mr. Sample (via phone). Mr. Lee, Mr. Wachter, and Dr. Wood are also present.

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

Mr. DiPaolo makes a motion to approve the agenda as presented. Mr. Barney seconds the motion. Motion carries 5-0.

#### **APPROVAL OF MINUTES** – November 2018

Mr. Cleaver makes a motion to approve the minutes as presented. Mr. Barney seconds the motion. Motion carries 5-0.

#### **COMMENTS BY THE CHAIR**

Mr. Paris: So far, we have had an exciting week. We had the Lead Assets that we gave money to already; we've worked hard to keep them working. I think we're going to have something else going on today; Perry do have any comments on that?

Dr. Wood: The Beehive announcement is tonight.

Mr. Paris: Things are moving along well then.

Dr. Wood: Let the record reflect that Councilman Rastetter has joined us as a guest.

Mr. Paris: Right, thank you. I guess I kind of jumped ahead and made my comments before I asked if there were any Director's comments.

## DIRECTOR'S COMMENTS

Mr. Cleaver: Mr. Chair, I would just like to take the opportunity to thank Mr. Wood and his staff for taking me under their wing and giving me a quick run down of what makes the wheels spin. I appreciate their time and effort and we'll see what happens from there.

Mr. Paris: Whitey, I appreciate that.

## PUBLIC COMMENT

There is no public comment.

## PRESENTATIONS

There are no presentations.

Dr. Wood: If I can just let you know why we don't have any presentations today – Mr. Lee just stepped out, but we expected to have a short Board meeting because we were going to get a briefing on the community college at 9:45am, but that has been postponed. I'm not sure why but we will find out later today why that was postponed.

Mr. Cleaver: Wasn't there a big article in the paper today that the Senator wants to go a different route or something?

Dr. Wood: Yes, there is. Maybe that's why it was postponed.

Mr. Peters: Sorry I'm late.

Mr. Paris: Let the record show that Mr. Peters has arrived.

## COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Barney: Hello everyone. First of all, does everyone have a copy of the Treasurer's Report? We will start with the Profit & Loss page and on it there is a big indicator that we did receive our third quarter amount of \$1.394; we got it in the month of November. We have one more installment to come. They give it to us quarterly and that will come and be reflected in the records probably in February. When we go down to Expenses, you will see the municipality settlements; once we get the funds, we disburse it as we are committed to do.

On the Balance Sheet, there is nothing out of the ordinary. Does anyone have any questions on the Balance Sheet? Statement of Cash Flow is the next page. I don't know who has copies or who has had the opportunity to look, but I can go down and read everything.

Dr. Wood: Just for the record, everybody has copies. If when they view them electronically and choose to print them out is another matter.

Mr. Barney: Okay. Then we'll go to the Budget vs. Actual statement; you may look down and see legal services is a large amount, but that should be noted that it is for three monthly billings. We changed over from how we did it on Visa credit to checks so things got congested

there. The only other thing that you see is Professional Development – we did pay for a Planning Conference for Tom that was local.

Next is the Schedule of Grant Reserve and there is a reflection of that quarterly installment that we received of \$1,394. On the next page you can see that we did paid the Mercyhurst Innovation District \$195,000 as well as we did another installment on the GECAC Summer Jobs.

Dr. Wood: I would just add that that is the final Innovation District payment; Summer Jobs, we still have at least one more payment.

Mr. Barney: The Check Detail Report – everything is just a reflection of what has been written. Then you have the copy of the Visa statements; the first one is Perry that shows the last payment of the legal on there and phone/IT. Then on Tammi's card, most of her payments are on Office Supplies, meeting expenses, Times News subscription.

Dr. Wood: Tom went to Harrisburg to accept that Historical Award on our behalf, and keep in mind that this particular Visa bill is going back to September.

Mr. Barney: The only thing on Tom's is \$25.00 that is a training thing that is on his computer. Are there any questions?

Mr. DiPaolo: I just have one. What is the total amount that we give for Summer Jobs?

Mr. Lee: \$150,000.

Mr. DiPaolo: That's our portion, right? And then the County matches that?

Mr. Lee: Correct. Excuse me, Mr. Chairman. May I?

Mr. Paris: Of course.

Mr. Lee: So, the breakdown is \$150,000 from the County of Erie, \$150,000 from ECGRA which is \$300,000. The Erie Community Foundation invested \$60,000 this past year which brought it up to \$360,000. Erie Insurance does pay for their individual employees which is \$2,200 per student. They had a total of six students so that's \$13,200.

Mr. DiPaolo: Very good. Thank you.

Mr. Lee: You're welcome.

Dr. Wood: Here are all our finances for you to take a look at and we can chat after the meeting. (handing his financial reports to Councilman Rastetter).

Mr. Barney: Are there any other questions?

Mr. Cleaver: How long do they expect that project to last? Did it go complete last year?

Mr. Lee: May I?

Mr. Paris: Go ahead.

Mr. Lee: The way the program works is this is a summer program that runs from June to August. The recruiting for the program begins as early as April. The administrator of the program is GECAC and that was done through a Request for Proposal. That was a two-year contract that we put out with the option of two additional years. We are going into our final year of that, so we will be putting that out for bid here shortly in the new year.

It is a program that is specifically for the summer. GECAC has contracted with Keystone Research to provide reports and a report will be coming very shortly and is made available to Mr. Wood and Mr. Batchelor and it will be open to the public as it will be on our website since we do believe in transparency.

We just completed our fifth year; we have nearly 800 students who have gone through the program; the investment has been over \$1.5 million investment with the partnerships with the organizations that I mentioned. What is very telling about the program is that 92% of the students that enroll in the program complete the program. So, we have definitely identified a winning formula to get students into the program and have the students successfully complete the program.

Mr. Cleaver: Thank you.

Dr. Wood: Can I just pause for a moment? Dave Bagnoni is asking for the call-in information if that can be made available to him.

Mr. Paris: Thanks, Gary.

Dr. Wood: If I could just add to that. We've had a tremendous partnership with the County on this and I think it's really a model for how to work with the County; it's matching funds, Mr. Lee is the administrator and we talk regularly about the program. What is nice about the program is there is a fiduciary side, a programmatic side, and then there's the outcomes tracking side. It's like all three components wrapped into one which is what makes it, I think, such a prolific program.

On the outcome side, you mentioned that Keystone Research does the outcomes research. They put together a great report every year that gives us a good trend line. What I like about it is they are measuring it from certainly objective outcomes like participation rates, completion rates, how many employers, how many students, what's the demographics of the students (rural vs city) – it's a very good report that way. But it is also like a customer service feedback because the students rate what they think of the program, the employers rate what they think of the program, and the staff and administrators rate where they think the program is headed.

There is a component to it that is formative, which means what are the things we can improve every year, but also summative which is what was done with our funds and how were the funds spent. We'll make sure we give you a copy of that. The final report is not done yet, but we did have the debrief. Every year we have a debrief at the library of how things went, and partners ask questions and sometimes the students come in and give a little speech about what their experience was like. It's pretty nice.

Thank you.

Mr. Peters: Mr. Chairman, I make a motion to accept the Treasurer's Report as presented. Mr. Cleaver seconds the motion. There is no further discussion. Motion carries 6 – 0.

- b. Strategic Planning Committee: Mr. Paris: We did not meet so there is nothing to report there.

Dr. Wood: Can I just make a comment? We did receive four applications for Mission Main Street. If you remember, what we did differently this year is we have three acceptance periods, the next one being in February. For this first round we received four applications. From what I can tell so far, they are four really good applications from the City of Erie, the Downtown Partnership, from Union City, and the fourth was from North East.

We are in the process of vetting what is going on there. Remember that those organizations can apply for up to \$250,000 for implementation funds and up to \$10,000 for planning funds. We did make those available to everyone online, so everyone can take a look at them. The staff is doing vetting; we'll be following up with those guys on what their budget forms look like and make sure we get any unanswered questions. If you have any questions after you read those applications, don't hesitate to ask.

Then we'll ask the Strategic Planning Committee to convene in January and we will start taking a look at those applications at that time.

Mr. Paris: Did Dave Bagnoni call in?

Dr. Wood: No. Let me call him right now just to make sure.

Mr. Bagnoni joins via phone call.

Mr. Paris: We're about halfway through, Dave and David.

- c. Update from County Council: Dr. Foust is not present but if Mr. Rastetter has any comments.

Mr. Rastetter: No, I do not.

- d. Update from County Executive's Office: Mr. Lee: Thank you, Mr. Chairman. Let me take just a few moments to give everyone an update of the community college initiative which is a big initiative for the entire County. I will do this as expeditiously as possible because there is a lot to cover.

As many of you know, the feasibility study that was done by Empower Erie was reviewed and from that came an application for a community college; a plan was put together. County Council adopted and accepted that last June 2017 and asked that the administration submit the application on behalf of the County. Not only did they ask to have it submitted on their behalf, the County also became a local sponsor for the community college.

That application was submitted June 30, 2017 to the State Board of Education who is responsible for overseeing the process. The State Board of Education did develop and set aside a special review committee for this particular purpose to review the plan and to provide feedback to the full Board. We were told at the time that it was going to take anywhere between 12 and 18 months; we were hoping for the former at the beginning part of 12 months. But it has not taken that; we're at 18 months as we speak today.

In that process, they had a public hearing back on October 10<sup>th</sup> here in Erie that was well attended. There were more pros than cons and it was a good discussion. The special

review committee hosted that particular meeting at the Blasco Library. From that, a request came for additional information came from the County and we provided that information in December 2017. We provided a response to their questions on February 14, 2018. The special review committee and the Department of Education was reviewing the supplemental information. We received a request for additional information and the second time was to look at our performance, our financial statements, and the number of students. They thought we were a little ambitious because in the original plan we had 769 students, so they asked us to go back and look at that and curtail that down to between 400 and 500 students; we have done that.

The supplemental plan that we are submitting by the end of next week deals with the performance as far as the financial statements and the number of students projected to be enrolled in the first five years. It also deals with the roll out of the programs. They asked us to take a look at the curriculum and how we were rolling out the programs; there was a total of 40 programs that we had years one through five with half of those programs being rolled out in year one. They asked us to maybe roll out ten programs in the first year and then maybe roll out the rest in years two through five. We have done that.

We're still very optimistic; we still believe that a stand-alone community college is really needed in Erie. I think the shortsightedness of some people is that we have these four institutions, and they are great institutions, but they are geared for bachelor's degrees and for master's degrees. We're still missing that infrastructure for the two-year programs. Edinboro has made it known, and we have been in contact with Edinboro, they're still continuing on their path forward which is really concentrating on four-year degrees and really getting out of the technical degree area.

The Porreco Center was developed to meet a need of a community college, but they have decided that is not where they wanted to be. So, that creates an opening and a void. With Fortis going out of business, that creates another opening and a need. We remain very optimistic.

There has been some talk in the paper today about the Northern Pennsylvania Regional College; we have met with them and will continue to meet with them. The administration's position is that we have always been open to partnering and collaborating with the Northern Pennsylvania Regional College where it makes sense. We still feel that way today but at the end of the day we have to be sure that we are meeting the needs and the demands of the employers and the employers have told us that in order for them to not only maintain but to thrive, they need an infrastructure that provides technical training. They have been in the forefront.

We are, again, optimistic about the process. We hope that it will be favorable as we move forward. I know I covered a lot there. Are there any questions?

Dr. Wood: If I could just put a fine point on this for some of the new Board members. Our role in the community college has been to support the County in their decision-making process. We did about \$30,000 in funding for the research phase of the community college and we basically have followed the County's lead to date with Mr. Lee at the point. Whenever we have questions about the community college we go to Mr. Lee who is handling it on our behalf at this point.

Mr. Lee: Thank you, Mr. Wood. Let me add and go back a step for the new Board members. Empower Erie, which is a 501c3, they have been engaged from the inception and they have done a really good job. They led the efforts with the feasibility study as well as with the college application. It wasn't until it was voted on by council that the administration got involved and

took the lead on it. If I can say, we continue to have a great working partnership with Empower Erie. Because we were so pleased with the work that they had done and no one at the County has the expertise that they were able to put together through consultants and through the Board that they had comprised, we went into a Memorandum of Understanding with Empower Erie where they would be the project manager and we, as the County administration, would be project administration. So, we would lead it but we rely heavily on them keeping their consultants engaged. Mr. Maloney has handled the financials of the community college along with our team at the County led by Mr. Sparber, and for the actual narrative we engaged with Dr. Roy Church who was Empower Erie's consultant on the feasibility study and the curriculum review. So, we didn't lose any continuity and I think that was very important.

Again, we remain excited about the whole initiative. We can say that politics has played a much higher role in this than any of us had anticipated down in Harrisburg but from our position, this is not about politics. It's about doing the right thing and what is needed for Erie County. Thank you.

Mr. Wachter: Perry, that grant that was given towards the planning, wasn't that a two-phase grant where there was some for planning and some was for implementation or was that just at the Community Foundation's side?

Dr. Wood: The grant that was awarded was in conjunction with the Community Foundation and the Hagen Fund for Philanthropy a couple of years ago. It was for implementation, but those funds have not been drawn down. We have held those funds until there is a community college. And just to clarify, those were awarded to Empower Erie.

Mr. Wachter: So, I was just wondering if there were still monies in grant reserve identified for further community college efforts.

Dr. Wood: Yes, both at the Community Foundation and here.

Mr. Lee: And the total right now is \$3.7 million available; it was \$4 million that was approved and \$300,000 has been utilized to date.

Dr. Wood: Correct. And we would be 10% of that.

Mr. Paris: Has the Ridge Group been a part of any of these talks and negotiating things?

Mr. Lee: With this part, not at this particular time. The County and Empower Erie is currently working with a lobbying firm down in Harrisburg. But again, this is still a long process, so I think that at the right time there will be an opportunity to engage the Ridge Policy Group.

Mr. Paris: Thanks, Mr. Lee.

## REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: A couple of year-end issues, not our fiscal year end but the calendar year end. We are in the process of working on that updated economic impact study. We have engaged effectively with the County on that; we got some great data thanks to Mr. Lee and the finance department. We are going to measure both the effect of ECGRA's funds as well as the

County's funds. We expect that to be completed in the January time frame, so I will come back to you with a copy of that report.

Now begins the time of year that we begin to compile the annual report which we will bring to you in April for you to take a look at. That, of course, is the major report that we put on our website, send out to the public electronically, and of course submit to County Council. Then there's the budget. We begin working on that in January; I've had some talks with Mr. Barney about that. We'll probably come up with a draft copy of that in the January/February time frame. January is a finance meeting, so we will have the opportunity to talk about it.

There are two things I would like to discuss at that finance meeting. First, we will take a look at the draft budget for 2019 – 2020 and second, we can take a look at MaherDuessel and where they are at with auditing our quarterly finances.

There are two things on your agenda today that we're asking you to vote on. First is the 2019 meeting schedule; we're of course asking you to vote on it and approve it so that we can advertise it in the newspaper. Someone asked me the other day if the November 21<sup>st</sup> meeting butted up against Thanksgiving – Thanksgiving is November 28<sup>th</sup> so that is an entire week before Thanksgiving and should not interfere. And, as always, we have the December meeting on the second Thursday rather than the third so that we stay away from Christmas. If everyone is amenable to this schedule, we're going to ask you to approve it under new business and then we will advertise it and have it available.

Mr. Wachter: Mr. Wood, if you could. I'm not sure if Mr. Cleaver was here when the discussion took place of why we're doing quarterly audits of financials through MaherDuessel. It may be helpful for Mr. Rastetter to understand that as well; kind of what the process behind that was. Mr. DiPaolo, I believe you were here when we made that determination. I didn't know if you wanted to explain that a little bit.

Dr. Wood: Does the former Treasurer want to talk about it?

Mr. Peters: I would be glad to. The idea was that we do our books internally here with the staff. There has been discussion in the past over how we report, and we thought that it might be a good idea just as a sort of checks and balances to have our annual auditing firm on the schedule to do quarterly reviews of those financials and make sure that we are presenting.

There were a couple of specific items that had come up over the year where Tammi needed some assistance from an accounting firm. We're not a big enough authority to have a big accounting staff, so by putting MaherDuessel on quarterly process of looking at the numbers, it also gives Tammi a resource should she have a question about categorizing, should something belong here, and various kinds of questions that come up that you really need a CPA. I don't think that anyone on the Board is an accountant or a CPA and we just thought the extra expense was worth it to have a second set of eyes on the books on a more frequent basis.

Mr. Wachter: So, because of the small size of the staff, you needed to have adequate checks and balances internally and the public scrutiny of the dollars spent as well as the need for a heightened level of transparency and confidence in the numbers, you hired them to come in and do it on a quarterly basis rather than just an annual basis so if there is an issue, you catch it sooner.

Mr. Cleaver: That's very similar to the parking authority. We do the same thing. If you don't have a CPA in house, then naturally you can pick up the phone and call the CPA about all the changes in the State and Federal. It's the best way to go.

Mr. Peters: And of course, we did put it out and solicited other local firms. We are unique as a municipal authority and there's not a lot of folks that really understand municipal authority



accounting. MaherDuessel has been great so far; they are really easy to work with. When I was the Treasurer, and I'm sure Mr. Barney will find this, when it comes time for budget and audit, speaking with them they really know how to break it down so a non-accountant can understand what they're saying.

Mr. Wachter: Aren't they also the external auditing firm for the County?

Mr. Lee: They are.

Mr. Peters: We had used Felix & Gloecker for years and then the County had made a move away from Felix & Gloeckler, so that's when we made the move over to MaherDuessel.

Dr. Wood: Moving along, we're also going to ask you to vote on Resolution Number 30, which will be the final resolution of the year. It basically lays out the grant management plan for the 2019 calendar year. The staff has reviewed it, we've taken a look at projected financials based upon the fact that we have \$1 million less to work with because of the land bank legislation, and we've laid out there in the attachment to Resolution Number 30 the programs that we see coming up. Of course, Special Events opens in January and that will be structured the same with 5% cash expenditures as eligibility.

Mission Main Street of course \$2.5 million over the next three years – that figure is an estimation of what we think we will spend on that. That multi-year process has already been approved but we wanted to put it on the schedule for you.

Renaissance Block which has already been through its first round of about \$350,000 – we're budgeting about \$400,000 over the next two years to continue with that program and to expand it in to other neighborhoods and build off of where it is currently targeted. Multi-Municipal Collaboration funding - \$300,000.

Community Assets funding – we had a little trouble processing the number of applications that we did this year in the short amount of time that we had to do it. We had over 40 applications, so what we talked about as a staff was breaking out the three subcategories into separate application periods. It's still the same program, still targeting the same folks. Parks, Fields, & Trails \$150,000; Arts, Culture, & Heritage \$150,000; and Community Centers \$100,000 – these will be broken out into different monthly segments as opposed to having them all come in in one fell swoop.

Anchor Building – we did the first five Anchor Building projects this year and we had very good success with those; we're preserving historical structures with commercial value. Another \$400,000 to take that to the next level.

Then there's Pilot Project funding and we normally put about \$150,000 into that. It's hard to say whether or not we will expend the full amount. We're at about \$80,000 right now but of course we still have another three months to go. That is the attachment to Resolution Number 30. I would be more than happy to answer any questions.

I do want to apologize because normally I would have a more formal presentation, but we thought we were headed off to a community college meeting that got cancelled late yesterday.

Mr. Paris: I do have a question about the calendar. Should we talk about it now?

Dr. Wood: Sure.

Mr. Paris: The April 18<sup>th</sup> meeting, I just want everybody to be aware that Easter is that following Sunday the 21<sup>st</sup>. I know it's a busy time of year and if people are taking off, maybe we should move that meeting.

Mr. Peters: And that's an important meeting, too because it's the annual reorganization.

Dr. Wood: We can move it to April 11<sup>th</sup>.

Mr. Paris: That might not be a bad idea.

Dr. Wood: Is everyone in agreement? We will put this document out in email to the Board as a reminder, so you can update your calendars.

### SOLICITOR'S REPORT

Mr. Wachter: I have said enough today.

### OLD BUSINESS

Mr. DiPaolo: I have one question. In September I had submitted the different office spaces. Has anybody done anything with that? Are we going to do anything with that?

Dr. Wood: We did look at office space, several spaces all across Erie County. Comparing apples to apples has been kind of interesting. Our lease is up in April or May and as we get closer we will continue to compile options.

Mr. DiPaolo: Okay. And then you'll bring that back to the Board?

Dr. Wood: We can bring it back to the Board or the staff can make a recommendation where we can narrow it down to a couple of options; it depends what the Board wants to do.

Mr. DiPaolo: Okay.

Mr. Cleaver: May I ask, what are we paying for rent here?

Dr. Wood: About \$1,400/month.

Mr. Paris: There is a lot of stuff we get for that like conference rooms and things. Even the use of this building is something we might not normally have.

### NEW BUSINESS

- a. Calendar for the 2019 Board meetings

Mr. Cleaver makes a motion to accept the calendar of meetings. Mr. Barney seconds the motion.

Mr. Peters: Moving based on that one recommendation of moving it to April 11<sup>th</sup>. Just to clarify.

Several Board members agree.

Motion carries 6 – 0. (Mr. Sample was not present via phone for the vote).

- b. Resolution Number 30, 2018 – Resolution to accept the 2019 ECGRA Grant Programs for the following: Special Events; Mission Main Street 2019-2021; Renaissance Block Program; Multi-Municipal Collaboration; Community Assets – Parks, Fields, & Trails; Community Assets – Arts, Culture, & Heritage; Community Assets – Community Centers; Anchor Building Program; and Pilot Programs that will take place during the 2019 calendar year.

Dr. Wood reads the Resolution.

Mr. Barney makes a motion to accept Resolution Number 30. Mr. Cleaver seconds the motion.

There is no further discussion.

Motion carries 7 – 0. (Mr. Sample has returned via phone).

### ADJOURNMENT

Mr. Peters moves to adjourn.