



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

January 18, 2018

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on January 18, 2018 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. Barney, Mr. DiPaolo, Mr. Logue, Mr. Paris, Mr. Peters, Ms. Presta, and Mr. Sample. Mr. Lee (arrives late), Mr. Wachter, and Mr. Wood are also present.

APPROVAL OF THE AGENDA

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

APPROVAL OF MINUTES – December 2017

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

COMMENTS BY THE CHAIR

Mr. Sample: I would like to welcome Councilman Leone to the meeting. We have had a tumultuous year and hopefully we're finally getting down to the point where we can get back to business as usual. I would like to welcome all the new Board Members.

I understand that Mr. Peters has a letter he would like to read into the record.

Mr. Peters: Thank you, Mr. Chairman. I have a memo that I'm going to submit to Perry after the meeting but I wanted to read it to you all as my colleagues. Earlier this week it was brought to my attention that a member of County Council had asked one of our colleagues here on the Board about my company, which is called Altair Real Estate Services and how we manage Knowledge Park and whether or not that is a conflict. I wanted to address those; I have a detailed seven bullet-pointed list that I will share with you.

As I address whether there is a conflict or not, I think it might make sense to have some of the history.

Number One: ECGRA has been a tenant here at Knowledge Park since March 1, 2010. ECGRA's current lease expired May 21, 2017. There was a prior management company managing the Park at that time and Perry had attempted to get a lease extension, without success. The company was in a bit of a flux as it related to the fact that Knowledge Park had put the management of Knowledge Park out to bid. At ECGRA's August 10, 2017 Board Meeting, Perry shared with the Board that ECGRA Auditors had noted that ECGRA was operating without an effective lease at Knowledge Park. He asked the Board to take action on a one-year extension of the lease and the Board voted to approve that 7-0. I was one of the votes.

Altair was then awarded management of Knowledge Park on September 1, 2017 – so, about a month after that vote was taken. I want to clarify that that was a very public process that Altair competed aggressively to win the management of Knowledge Park; there were companies from Pittsburgh, State College, all over, that had bid. On a personal note I am excited that an Erie company won because this is a big and important project for the County.

On September 5, Altair's in-house legal counsel began working with any and all tenants that were in hold-over status. There are about 20 tenants in Knowledge Park; 19 of those tenants did not have valid leases. That was just not a priority with the prior management company. My staff attorney started working with all tenants on that.

Around September 15, ECGRA signed what was really a one-year extension, but retroactive to May 2017. At the time that this happened, it was already five or six months into that one-year extension. The lease here at Knowledge Park actually expires May 21, 2018 – this year.

I also want to disclose, although my counsel didn't seem to think I necessarily needed to, but for the sake of transparency, since the commencement of Altair's management of Knowledge Park in September (after the lease was already renewed) we have as a company received \$389.00 that is related to ECGRA's tenancy at the Park. We have neither billed for or received other fees, dues, or commissions related to ECGRA's occupancy here at Knowledge Park. I have been advised by my counsel that there was no conflict at the time of my vote in August when the Board agreed to extend the lease here at Knowledge Park. However, in the interest of transparency and in an effort to eliminate any concern or impression of conflict of interest with my company's involvement here at Knowledge Park, I made arrangements for Altair to refund the \$389.00 to Knowledge Park and I have agreed to waive any fees related to the Gaming Authority being a tenant here. It works out to about \$60/month that my firm would receive as a result of the \$1,400/month in rent that the Gaming Authority pays. I will waive any of those fees as long as I am a member of the Board.

Finally, as has been my practice since joining this Board, if I had any involvement with any organization, and I would think that all of us would do this, as Tim and Lisa both just did, I would certainly recuse myself from any vote on a matter that is related to an organization that I am a member of.

Specifically, on this matter, should the Gaming Authority have interest in staying here at Knowledge Park? I have no desire to be part of that negotiation. That is entirely up to the Board if they want to stay here or don't want to stay here. I would certainly recuse myself from any deliberation or voting on the matter.

I just wanted to share that. I'm not sure what the impetus was behind the question but I think it's a fair question and I wanted my colleagues to understand in detail how that all operated.

Mr. Wachter: Mr. Peters, I see you have a written document there. Is that something that you want attached to the minutes of this meeting?

Mr. Peters: Yes. This is what I said I would give to Perry after I read it. (Hands Perry the document).

Mr. DiPaolo: I have a question. How much rent is being paid every month?

Mr. Peters: It's roughly \$1,400 per month.

Mr. DiPaolo: Is there any other places that you have ever looked at to see, if in fact, you could get it cheaper than \$1,400?

Mr. Wood: I can tell you from a staff standpoint that I have done no research on a new office location. We moved in here in March 2010; that was before I got here. My understanding was that this was a centralized location because we have Board Members coming from all across Erie County and we have rooms like this available to us. I have talked with Penn State about the cost of the space; they are giving us below-market rate rent for what others would pay for this space and they are doing that because we have an economic development purpose for the region. That's all I can really tell you as far as research goes. We haven't really looked at other spaces.

Mr. Peters: Back in 2010, before I had any involvement with Knowledge Park, the Executive Director at that time was a gentleman by the name of Thomas Kidd and there was looking around at other spaces, whether it was downtown or wherever. At that time, this facility and actually this very building that we're sitting in, was the home of the Erie County Industrial Development Authority, the home of the Erie County General Authority, the home of the GEIDC, and the EIDCO or something like that, which was another economic development agency. Other Board Members were around at that time; I personally did not participate. I was not involved with this Park at the time that decision was made. However, there were multiple County agencies that were related to economic development that were here.

That really has nothing to do with what I just read, I just know that someone had a concern that somehow I was making money off of the fact that ECGRA is a tenant here at Knowledge Park.

Mr. Logue: If I may, Mr. Chair. Just so I understand – your company is now managing Knowledge Park.

Mr. Peters: That is correct; since September 2017.

Mr. Logue: I think that Mr. DiPaolo asked you and you responded that the space that ECGRA is leasing is \$1,400/month.

Mr. Wood: It's actually about \$1,600, just to be clear.

Mr. Logue: So, ECGRA is paying to Altair the \$1,600.

Mr. Peters: No, they are paying it to Penn State, who owns Knowledge Park; as they have been.

Mr. Logue: And your management fee is how much per month?

Mr. Peters: It's about \$60/month off of that particular lease. We manage 350,000 sq. ft. of office space here at the Park; ECGRA is approximately a couple thousand sq. ft. So, I said I would just waive the fee. It's immaterial to my business to collect a fee from the fact that the Gaming Authority is a tenant here. The reality is that the Gaming Authority has been a tenant here many, many years before I was involved.

Mr. Logue: So, every year on the ethics form, I don't know if you've done that yet or not, but this coming year you would disclose that on the ethics form.

Mr. Peters: I disclose that I am a managing partner and Owner of Altair Real Estate, yes.

Mr. Logue: I think the form, if I remember the question, asks if you have some type of business association, or your entity has some type of association with (inaudible).

Mr. Peters: The reporting period of 2017 would be the first time that that was the case.

Mr. Logue: Coming up in April, or are those due in March?

Mr. Sample: Is your relationship with Penn State or . . .

Mr. Peters: I would ask counsel what the right way to respond would be.

Mr. Logue: I think it's question seven or eight on the form that speaks to that. But, I had brought this up when I was on the Board previously; we discussed this back in 2015. If my memory serves me, at that point we were looking just to lease this space and the office space just for a year. Then I left the Board and I left this alone. So, if I'm understanding, another year extension of this lease . . .

Mr. Peters: It's up in May, May 21, 2018.

Mr. Logue: Ok. Thank you.

Mr. Peters: If I can clarify from an Altair perspective, I have never represented the Authority on matters related to real estate. We have all been at meetings where people have asked me questions of, "What are market rate rents in Erie, PA?" and I would certainly share those publicly what my thoughts were, but I have never had a relationship where I represented the Gaming Authority. I sit on this Board. My company manages three million square feet of real estate in the area; it was bound to happen at some point that some volunteer position that I am on would end up being a tenant in one of the buildings. Again, I think it's great that this question came up and the order in which this has all happened hopefully alleviates any concerns that anyone may have.

Mr. DiPaolo: If I may. Mr. Leone, since you're here, is there any room in the County that can hold meetings? I sat on the OCY Board; that was at OCY. I sat on the Convention Center, when it was the Convention Center. I think that \$1,600/month is pretty steep. If you look at it for a year, that may be other organizations that we could be helping. I don't know. It seems to be a little high.

Mr. Sample: I will voice that one of the previous problems was the parking situation at the Courthouse, getting everybody in, getting everybody parked. That was before the prison, the cells were taken out. We used to be down by Doug Smith in a closet. Those things have been alleviated but again, this was kind of centrally located for everybody to be able to get to.

We will be reviewing what we're going to be doing as far as location so Perry can look into that.

Mr. Peters: I have a lot of good and qualified competitors in the real estate world; maybe it makes sense for Perry to consider engaging a broker from a different firm to take a look at other office space. As somebody who is in the business, I would say that you're at that point in time that if you did want to

move, it's time to start thinking about it because May will come along pretty quickly. I certainly am not trying to kick anybody out of Knowledge Park; it would be nice if it makes sense for you to stay. But if it no longer makes sense for the Authority to stay, that's fine too. Whatever works for you.

PUBLIC COMMENT

Mr. Leone: Mr. Chairman, I really didn't intend to speak to this Board today but it seems that a couple of questions, like Dom asking if we have room, you would have to ask the County Executive because I don't know if they do or they don't. But to straighten a few things out, I believe that Mr. Peters innuendo was that someone from County Council asked whether or not there was conflict or not. What bothers me here is that there are so many rumors that go on because of this organization that I've become a little upset about it. Most of the time, those rumors are directed toward me.

Mr. Peters: By the way, it was not directed at you.

Mr. Leone: I understand that but what I'm saying is that most of the rumors I hear around here are always directed toward me. To straighten a few things out, like I said innuendos, one of the issues that I heard from one of the Board Members is that the Solicitor and Mr. Wood went to one of the Board Members and said, "You're the key vote as to whether or not I keep this job or not." I'm referred in all of that crap and I dislike it. Believe me when I tell you that I dislike it, okay? I'm not interested in doing anything except seeing this Board become successful. That's the main purpose and my fighting to get to see that someone get on here.

And many of you that were opposed to having Mr. Logue on here and one of the reasons that I asked him to resign was that he didn't live in my District. I felt that all of them, that everyone that is here should be in the District that they represent; I always felt that way. I didn't violate that issue. Other Board Members did. Then I look back and say that each of you that are here, not the ones that are new ones, knew that Dave Yapple did not live in the District. Yet, when I had appointed Mr. Logue, Mr. Sample and Mr. Wood went down to see Kathy Dahlkemper to tell her that he didn't live in my District. So, I went to him and said, "I want you to resign" and he resigned.

Now it's a different situation. Like I said, Mr. Yapple didn't live in the District yet he was representing this particular District. He lived, in fact, in MY District, in the third County Council District. Those are a few of the issues I would like to get straight with this Board. I am not out to hurt anybody, but by the same token, if I continue to hear what I hear, believe me when I tell you that you won't like what I do.

PRESENTATIONS

None.

COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Peters: On the SharePoint, you will see there is a December Profit & Loss, Balance Sheet, Statement of Cash Flows, Budget vs. Actual, Schedule of Grant Reserve, and Check Detail. I do want to offer to the new members since we have limited time, if anyone wants to meet with me one-and-one and dig into these numbers a little deeper, just let me know. Unfortunately, in my business, I travel about a third of the time so it may be a little tough to get me, but I'm glad to meet and go over these things.

If I could first address the Balance Sheet. When I run the Treasurer's Report I typically start with the Balance Sheet. Is everyone able to see that? What the Balance Sheet shows is

what we have in terms of assets; you'll see that we have funds restricted. You'll see account 10101 and 10102 – those often create questions as to what they are because one is 2.8M and the other is 1M. The committed funds are exactly that; they are funds that we have already made a grant on but have not necessarily distributed out yet. The restricted funds are something that one of the other members here brought up; when we receive the money from the County for a prior period, there is a certain amount of time that we have to hold that money before it becomes restricted uncommitted.

The other thing I want to address, particularly for the new members, as you look at Notes Receivable as assets, you're going to see two for the Enterprise Development Fund – EDF 1 and EDF 2. One for \$500,000 and the other for \$800,000. The Enterprise Development Fund has been in a bit of a financial pickle for a number of years since the GEIDC Bankruptcy. When the big economic development corp. went bankrupt, EDF was one of their separate entities that we had loaned money to. We have already, at the advice of our auditors, started to reserve for some of those funds that are listed as loans. They are operational but for them to survive, according to what they are telling us when we ask them questions, in order for them to survive they are going to need us to restructure that debt because there is a balloon – in essence – that they are not going to be able to pay. Perry, if you want to address that.

Mr. Wood: Just for the record, all the new members have been briefed on the restructuring of the debt that we went through and we did answer questions at that time. But if there are further questions, I would be happy to talk about it.

Mr. Peters: I don't mean to repeat myself but it's just that when you see that and think of it as an asset, in my mind (the financial part of me) looks at that and thinks that it's not really an asset. I think that money is at risk and I think we need to address it. Any questions on the Balance Sheet?

Mr. Wood: It is at risk and that is why we created, in our audit process, an allowance for the fact that we may not see recovery of some of that. We created a percentage, and that was based upon recommendation from MaherDuessel – our auditors.

Mr. Peters: And I suspect that MaherDuessel at audit time, will recommend that we do that again unless we have restructured. That has been discussed at Strategic Planning, and in the interest of time, we can discuss the details later.

The next thing is the P & L. We are not an entity that has a whole lot of in-and-out. We get our money from the gross terminal revenue, which goes to the County, then comes to us and it's four times a year. The Budget vs. Actual, this is what I was explaining to everybody in the Finance Committee, look we're in a weird year – our fiscal year is April 1. As you look at where we sit here in January and we start seeing that we're at 100% or near budget, it's easy to think, "Wait. It's only January. How did that happen already?" It's because we're in a fiscal year starting April 1. Any specific line items that you have questions about, please let me or the staff know.

We did recently, if you were looking at any of the historical information, there is a line item for Government Relations services; at the request of Council and others we did quit lumping that into a general professional support number. It's now broken up. If there are any questions on that, I would be glad to address it now or later.

Next is the Statement of Cash Flows. You'll notice the big difference is that we did make a big distribution out to 1855 Capital, which is a Venture Capital Fund that we all voted

on several months ago. That deal closed and therefore, the check got written to them. One note on that, that particular Fund has not yet been fully funded so we were one part of about a 20 million dollar raise. When that closes, then they will be eligible to spend down on that money. They are still working through that.

The next item is the Schedule of Grant Reserves which shows in detail where we have committed to putting money. The last thing is the Check Detail – who we're writing checks to from an operating perspective on a monthly basis. You'll see everybody from Velocity Net who we get our internet from and Ridge Policy Group who does our Government Relations, rent, so on and so forth.

Mr. Wood: I think it's worth noting that December is an off-month for grant making, so you're not going to see any grants on the schedule, but normally that is what would dominate this particular Check Detail.

Mr. Logue: Chuck, I do have a question. With the Ridge Policy Group, are we continuing to do business with them or are we finished? I think I understood just from hearing different things where I came back to the Board, I thought they were utilized for when this Board thought there was going to be some major changes and retained that group. Are they going to remain at a monthly basis here at this figure?

Mr. Wood: They are at \$4,000/month; you are seeing two months' worth of payments there. That's why it's at \$10,000 – plus some expenses. We first retained them in 2016, actually before our legislation was declared unconstitutional, with the idea that this Board had been talking about going after State and Federal funds to leverage ECGRA funding. Within two to three weeks after retaining them, the Supreme Court came out with their decision declaring us unconstitutional. So, our focus for that government relations group shifted from finding additional funding to leverage to fixing gaming legislation – fixing local share. That's been resolved now and I think that the next natural step is to go back to what we had originally hired them to do which is to find those funds.

We are in regular communication with them as to where those funds can be found. For example, if there is going to be a federal infrastructure bill, how can Erie benefit from that. We have been talking about having them come up here in February and actually have them give a joint presentation to the ECGRA Board and to County Council to talk about that.

Mr. Logue: Do we have a contract with them?

Mr. Wood: We do have a contract with them.

Mr. Logue: I would like to see that. Maybe Tammi can send that to me.

Mr. Wood: I will make a note of that.

Mr. Logue: Thanks.

Mr. Sample: Again, the original intent was not to fix the local share because we had the funds, if we could get matching funds we could do better things for Erie County.

Ms. Presta: Perry, when did you indicate that Ridge Policy is coming to provide this Board with a presentation?

Mr. Wood: We're looking at a February timeline. What happened last time they came into town, they met with a couple County Council members or they had phone discussions. I think it was unanimous that they would like to see a presentation and participate with the ECGRA Board on it. We said, "Let's do a joint workshop on funds available and see where we can take this thing." The County has priorities that we probably don't know about and vice versa.

Ms. Presta: What's the term of the contract with Ridge Policy Group?

Mr. Wood: It's not like a 12-month contract.

Ms. Presta: So, it's like for services provided?

Mr. Wood: There is an "out" clause.

Mr. Wachter: There is a 30-day out.

Ms. Presta: Thirty-day notice. Thank you.

Mr. Peters: That concludes my Treasurer's Report.

Mr. Sample: Is there any discussion?

Mr. Barney makes a motion to approve the Treasurer's Report. Mr. Logue seconds the motion. Motion carries 7 – 0.

- b. Regional Assets Committee: Mr. Wood: There was no meeting so there is nothing to report.
- c. Strategic Planning Committee: Mr. Paris: There was no meeting so there is nothing to report.
- d. Update from County Council: Mr. Foust is not present.
- e. Update from County Executive's Office: Mr. Lee: Thank you Mr. Chairman. First of all, I would like to welcome our new members to the ECGRA Board. It's good to see the new faces and I look forward to working with you all in this particular aspect as far as being the ex-officio member for County Executive Dahlkemper.

Let me share a few key points and then I'll be done. First of all, at the last meeting I gave an update on the Community College initiative and I hope everybody had the opportunity to read the minutes on that. Just an update, we have an Operations Team that I am leading that consists of representatives from Empower Erie and a few representatives from the County. The main purpose of the Operations Team is to make sure that we facilitate the application that was submitted down to the State Board of Education for the Community College initiative. The State Board of Education provided us a supplementary report as far as additional information needed for the application. We have met, we're working on that. It is a pretty extensive request for supplemental information. Our goal is to have that faxed by February 2nd; we received it January 2nd. I will continue to keep the team here abreast as far as how that application is going.

Secondly, off that subject and on to the Up For The Jobs initiative. The Up For The Jobs initiative is a great initiative, a collaborative of the County working with various organizations like United Way, the Governor's Office, Workforce Development, and the Union

(specifically at GE). The goal is to really market our skilled workforce and try to encourage other companies to consider coming to Erie. In light of, and it wasn't only GE, you can go back to Zurn and Lord, we have a very good skilled workforce here in Erie County. That initiative is coming along well. It started with the investment of the County with \$36,000 for a consultant; the consultant is working with the team to develop the strategy that would market Erie County.

Where we had left off here a month ago was that, in particular, the Strategic Planning Committee was going to come back with some recommendation to see how, if possible, we could expand the scope of services with that particular project as it relates to research. Hopefully at some point we will have some type of discussion as far as where we are in that particular process. This is a very, very important initiative to Erie County.

Lastly, the Summer Jobs program is going really well. I met with Mr. Ben Wilson from GECAC. We provided a report (Perry has a copy of it) that Keystone has done; they have done a report for the last three years. It's a very good report; I would encourage everyone if you haven't read the report to do so. Some of the key take-aways from this particular report was they identified an opportunity for GECAC to be able to improve upon the organization's communications. That is an ongoing process. I met with Ben Wilson and shared with him some of the key areas the County wanted to work on. One of those areas was really homing in on the reach outside the City of Erie. Our goal is to try and do 50% inside the City and 50% outside the City. We're not there. They are helping us work on the strategy to work more towards that. Realistically, 50/50 is very aggressive; we would be happy if we could do 60% inside the City and 40% outside the City. That is a goal that remains a top priority because it is a County program.

In addition, I had wanted them to implement an interview process for the students and they are going to be doing that because we want this to be as close to a real-life experience as possible. The young men and women are students between the ages of 16 – 21; they don't think it's automatic that you just come in and just do the job. We want them to see that it's fashioned like the real world.

The third point in the report that I thought was interesting and worth noting was that some of the students that provided feedback had requested that we consider raising the amount of wages; we pay minimum wage. From my perspective, that will not be happening for several reasons. The main reason is that this is a program where we are attempting to teach real life skills and also allowing the students to know that when you come in and you start, typically you start at the bottom and you have to work your way up. That's one point. Another important point is that they see the link between education and career advancement. Most of these students, about 80%, are in high school. What I have received from the report is that the students understand that they are identifying what they do like and identifying what they don't like and they are taking their classes more seriously when they go back to school. To me, that's what speaks volumes of one of the key aspects of the program.

I will be giving more updates on the program as time goes on but those are the three areas I wanted to cover. Thank you, Mr. Chairman.

Mr. Logue: If I may make a few comments to Mr. Lee. When I was on the Board before, Ms. Dahlkemper understood that there was a (inaudible). You came to this Board and asked and put forth your position at that time. And that was one of the things I was most proud of when I was on this Board that we were the go-to Authority and we helped that and we put that into place. Now, maybe we weren't as functional as we were now, but I think we got that up and running in two to three months and serviced a number of young people. I think I brought this up to Perry during my re-orientation that I think there was only, at that point when I was on the

Board, that there was only about 300 students and there was only one student – for whatever reason – that didn't fulfill their obligation. The way that I understood it, the employers, the students really enjoyed this and I'm looking forward to doing this again.

One of the memos that Perry has placed in our booklet, I'm not going to speak to it at this point, but I think we can really re-energize this program and really keep it going for a long time. The community is hurting and I think there is nothing that solves problems better than jobs; it gives the students self-esteem, the employers like that they are contributing. I kind of like the hutzpah that the students want more money. Not that you want to do that but that's my two cents on that.

Mr. Sample: We have about 14 minutes to finish so let's move on.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Wood: Thank you, Mr. Chairman. You know I love to go paperless but for a meeting like this where there are so many changes and so many other things going on, that's why there is this manila folder in front of you. Please take that out at this time. You're going to see a couple of standard reports that I provide on a quarterly basis. The first is a Revenue Dashboard. You'll see there that in the third quarter of 2017 we received about \$578,000. There's no way to tell how much of that was from the second quarter because there was one month that we did not receive revenue from the second quarter so we are counting that all in the third quarter since we received it at that time.

You can see that the trend there has been from \$6M in 2008 – 2011, kind of dwindling to \$5.8M and last year culminating at \$5.4M. We are on a slow but incremental decline as far as revenues go. Certainly, with \$1M less going to a land bank, let's estimate that that will be about \$4.5M or somewhere in there. The second chart on that revenue dashboard is what I call the hockey stick chart; that reflects the fact that the majority of revenues come in in the new year. That is what is known as the true-up payment – when the single largest payment of gaming funds comes through to Erie County government.

The second document is the Cumulative Grants Report. I'm not going to belabor this because it's a long document but we like to provide this to the Board. This is every single grant or investment ECGRA has made since 2008. Cumulative in one report; who are the entities, what is the grant category, and what was the amount received.

The third document that you're going to see is a Draft Grant-Making budget broken out into our five impact areas. We haven't passed something like this formally before in the past but I think it's good for discussion purposes to see where we could be heading with the grant-making process. Community Assets, I've included Pilot Projects in that line item as well; we're going to be talking about that today during New Business. Special Events; we're also going to talk about two new programs and I'm going to be brief – I'm going to give you the Draft Guidelines; no decisions need to be made here today. That is what Tom and I are calling the Anchor Building concept; the idea of investing in historic structures and the second is the Renaissance Block program which is a program that is patterned after a very successful program that took place in Jamestown, NY and was pioneered by Pete Lombardi who is the co-author of the Erie Refocused plan. Once again, I'm only going to provide you with Draft guidelines for that today; we can have further discussion in the future before passing that.

You'll see STEM and Summer Jobs as future discussion items placed under Youth & Education. Impact Municipalities – you'll see we are continuing to put 25% aside for contiguous municipalities, not knowing where we're headed with the Settlement. Multi-Municipal – we've parked \$1M for Ignite Erie, that's what we do for small businesses. Then we've parked \$500,000 for the Shaping Tomorrow process which is our collaboration with the Erie Community Foundation.

This is a draft; I want to go ahead and submit it to you for the first time for your review and I would be more than happy to take your feedback on that in the future. We can look at it again in February if you're okay with it.

That being said, let's take a look at the agenda and the business that is in front of us here today. Let me start with the Resolutions. Resolution Number 1 is to enter into an agreement with Mission Main Street. This is a grant program that is five years and running. There is a resolution on the agenda, along with approval, of nine proposals. There were ten proposals that came forward but one of those was determined to be ineligible because they had not completed reporting requirements in the past. The other nine have been reviewed on Foundant.

Mr. Peters: So Perry, they have received money from us in the past and during your audit or Tom's audit of them, realized they didn't do the paperwork and we deemed them ineligible.

Mr. Wood: I think it's worth noting that we tried to communicate with them several times, successfully, letting them know that this would happen and they still did not turn in the paperwork so we've deemed them ineligible. Therefore, nine of the proposals are eligible for funding and have scored well by the Board. There are a couple of unique things to point out in those applications. One of them is that there are several brand-new ones – one of which is the Sisters of St. Joseph who are interested in helping the Independence Hill area. That is the area on Peach Street around Peach and 26th Streets. That's an old commercial district that is coming back. They are branding themselves as Independence Hill and the Sisters are helping them through that process in establishing themselves as a commercial corridor.

I think it's also worth noting, through Bridgeway Capital, gaming funds have supported the start-up of three new businesses that have located in that commercial district. Dapper Don is one of those, if you saw the media this week, there was some media on Dapper Don. Something else worth noting is that we have entered a fiduciary relationship with Preservation Erie whose key mission is to preserve historic structures. They have said that there are many commercial corridors throughout Erie County that do not have representation through a non-profit and they would like the ability to go in there and work with those folks.

What you're going to see in these applications is a tendency toward façade improvement programs. That's because the National Main Street model says there is a four-point approach to revitalizing a main street:

1. You have to be organized.
2. You have to promote and market the space.
3. You should look at supporting small business, what they call economic restructuring.
4. Design – what you might think as the built environment.

You're going to see a lot of focus on things like façade improvement, way-finding signage, and the kind of outdoor streetscape environments in these applications.

Ms. Presta: Which of the ten was determined not to be eligible?

Mr. Wood: Lawrence Park Township was ineligible.

Ms. Presta: I didn't see match information for Impact Corry or the Sisters of St. Joseph.

Mr. Wood: That's just a typo. We have secured a match for those.

Moving on to Resolution Number 2 – to adopt the grant-making process to open up Special Events. This would be the seventh year that we are offering the Special Events Grant category; those guidelines have not changed substantially since the last time that we offered them. Special Events is one of the most popular programs that we have. It is oversubscribed and is a great way for us to impact Erie County because every one of these little counties has some type of signature event, festival, parade, and so on.

Resolution Number 3 – to create Pilot Project guidelines. This is a concept that we wanted to move from our operations budget into our grant-making process. I'm not going to read the whole thing to you – I just want to read the purpose paragraph:

“Pilot projects grants are designed to explore programs, concepts, and potential solutions which address documented problems and deficiencies with the Erie County community. Pilots are funded when they fall outside traditional grant programs and existing ECGRA grant programs. In addition, Pilot projects will be funded when the ECGRA staff and Board deem the idea worthy of a trial period to establish long-term feasibility, to attract additional funding, to refine a program, and to fulfill a need within Erie County. Pilots must fall within one of the following five impact areas: Municipalities, Youth & Education, Quality of Place, Small Business Development, and Neighborhoods & Communities.

“Pilot Project applicants are encouraged to find creative and cooperative ways to operate in the most effective and cost-effective manner possible. Pilot Project Grants will provide vital matching funds to encourage leveraging other funding sources.

“Award limits are at the discretion of the ECGRA Board.”

We've kind of budgeted \$150,000 for this Pilot Project concept. We just heard from Mr. Lee that Up For The Job will be coming back to us to potentially be one of those. In talking with Tom and our bandwidth of staff at ECGRA, we think we can handle two to three pilot projects maximum per year, depending on the amount that the Board decides to fund and the complexity of these initiatives. That's Resolution Number 3 and we'll be asking you to vote on that as well.

Next, I just want to say that from a staff standpoint, this is the single largest turnover of Board members in the history of ECGRA. Between this month and February, we have four new Board members. One of the things that I would like to do is pair you up – new Board members with an existing Board member – to make sure that you have a resource beyond the staff to answer questions from a Board-to-Board standpoint. I've asked Mr. Bagnoni to be paired with Mr. DiPaolo, I've asked Mr. Barney to be paired with Ms. Presta, I've asked Mr. Paris to be paired with Mr. Logue (although he does have experience, but just in case), and I've asked Mr. Peters to be paired with Ms. Wyrosdick.

What does this mean? I would like you to maintain some open communication. There is a lot of history, there is a lot of institutional memory from the veteran Board members, they are a great resource, they're a great place to go. You can always come to the staff with questions, especially technical, but sometimes Board members want to interact with another Board member. I would recommend that over the next two to three months that you have coffee with your Board pairing, maybe have some lunch, and just talk about your experience on ECGRA and have that new person ask any questions that they may not be comfortable asking here at a meeting.

Mr. Logue: One question I do have on the agenda, I know we're still working on that, and I asked this before. I think we should have a line item on the agenda for Director's Comments at the end. I know a lot of other Boards do that, Boards that I have been on before; that either at the beginning or at the end that you have Director's Comments. I think that goes in line with what you, Perry, because at some point Directors are going to have questions or comments or whatever. Piece mail. I think it should be a forum for the Director's to talk about something. Maybe just add that on to the February agenda, if possible.

Then, I just want to make – I see that my name was brought up from Councilman Leone. I just want to speak to Mr. Leone and Mr. Lee and ask you to take this back to obviously Mrs. Dahlkemper and to your Council members, in particular Dr. Foust, that the 4th County District, there is questions as to whether it is being represented or not. The way that I read the law is that I'm an Erie County resident; have been for a lot of years. But most importantly, I do have a business, actually have some buildings in the area, and I'm in my office probably a total of 12 hours a day. I probably interact with a lot of 4th District people probably more so on a daily basis, and I'm not being disrespectful here, than other Board members interact with people in their District. I lived in the 4th District for twelve years, actually right next door to my building. I probably, on an average now, spend two nights a week up there in the building next door where I lived; I keep that viable and I sleep there. People come knocking at different hours of the night wanting legal advice, I give it to 'em. So, I'm there.

Mr. Leone, if you could pass that along to Mr. Foust that the District is represented. Mr. Lee, if you could pass that along to Mrs. Dahlkemper that I will (inaudible) the 4th District and represent them and I think I will do a good job. So please, pass it along.

Mr. Wood: Thank you. Just to wrap up my Executive Director's report; there are two documents within the manila folder that I would like you to take a look at and provide mw with any feedback on. We will discuss these again at the February Board Meeting. One is the Renaissance Block program and the idea there is to work with grass-roots organizations, like the Pilot Projects that we have done in Corry, for example. A lot of that has informed us with what we are doing here – working with the Sisters of St. Joseph, working with BEST, working with the Our West Bayfront, the East/West Bayfront plan – a lot of that has informed us as to where this program is headed.

The second is the Anchor Building program, in which we're talking about investing (based upon information found in the County's Heritage report), investing in historic structures across Erie County that serve as kind of an anchor for that commercial district or neighborhood.

Thank you, Mr. Sample. That concludes my report.

SOLICITOR'S REPORT

Mr. Wachter: I said enough earlier.

OLD BUSINESS

Nothing to follow up on.

NEW BUSINESS

- a) Mr. Wood: I wanted to bring to the attention of the Board that we are without a Secretary. A Secretary is important because a Secretary signs ordinances, the Secretary – according to our By-laws – shall attend all meetings of the Authority, record all the votes of the members and all the minutes of the meetings of the Authority and of the Committees of the Authority in a file or files to be kept for that purpose (of course the staff does that at ECGRA, but ceremonially the Secretary does that), will see that notice is given and records and reports are properly kept and filed at the Authority (once again, the staff does that, but ceremonially the Secretary does), and in general should perform all duties incident to the office of Secretary and such duties as may be assigned from time to time by the Authority.

According to the By-laws of the organization, if there is a vacancy of an officer position due to death, resignation, or removal such officer within a reasonable amount of time thereafter be filled by the Authority for the unexpired portion of the term of such office. That's a fancy way to say, "Does anyone want to be Secretary?"

Mr. Logue: I think the By-laws also say that a present officer can also hold more than one position. So, Mr. Peters, Mr. Sample?

Mr. Peters/Mr. Sample: No thank you.

Mr. Wood: I think it also says that the Executive Director can hold the position of Secretary.

Mr. Wachter: The Executive Director can hold the position of Secretary; it does not bind the organization in any way, it doesn't change anything. It's just a verifying insurance that things are correct.

Mr. Logue: April is reorganization month, right?

Mr. Peters: Yes.

Mr. Sample: I would recommend the Executive Director do it until the April meeting and then we will review it at that time.

Mr. Sample makes a motion to approve that recommendation. Mr. Logue seconds the motion. Motion carries 7-0.

Mr. Wood: The second thing, according to our By-laws, is that we do need to amend our By-laws. Section 6.05. "Amendment of By-laws. These by-laws may be amended or repealed, or new by-laws may be adopted, by five (5) affirmative votes of the voting members in office at any regular or special meeting. Such proposed amendment, repeal or new by-laws, or a summary thereof, shall be set forth in any notice of such meeting, whether regular or special." We now have nine Board members instead of seven, so we need to amend the By-laws.

Mr. Wachter: There are other provisions of the By-laws that need to be updated where it indicates the office is at the old address and things of that nature.

Mr. Logue: Probably more important is what we discussed initially during the Finance meeting as far as that option with Perry speaking because in the By-laws we talk about the Settlement Agreement and we'll have to do something about that.

Mr. Wachter: Things do need to be updated. Generally, when a Board would review their By-laws a committee would be appointed. We can help scribe those things for you and provide recommendations, but I think that the Board should come up with the language of how you want to move forward and govern yourselves.

- b) Mr. Wood: Mr. Chairman, I think we are going to punt on the discussion of the Renaissance Block Challenge and Anchor Building projects since we are out of time.

Mr. Peters: Regarding the situation with the By-laws, does action need to be taken today or can the Chairman just call a committee?

Mr. Sample: We'll review it and have it amended by the April meeting.

Mr. Wachter: There is a Notice Provision but if we could have sample language in whatever timeline is, but it is something that we should do.

- c) Mr. Wood: Resolution Number 1, 2018 – Resolution to enter into agreements with the applicants for the 2018 Mission Main Street Grant program. Typically, I read all these Whereases, but I will skip to the meat and potatoes if that is okay with everybody.

Mr. Wachter: Mr. Chairman, before you discuss those, just for the new Board members to be aware, my firm does represent a number of those entities, however as legal counsel, I do not get involved in the policy, I don't review them, I don't receive the applications, I don't even know that they apply. I provide for no legal advice or opinion regarding the sufficiency (other voices cover up what he finishes with).

Ms. Presta: I also have a clarification and want to provide disclosure for the Board that we were unable to set up my electronic access to data in advance so I was unable to run an Internal Conflict search of my Firm. One or more of these entities may be represented so therefore I am going to abstain from that vote out of an abundance of caution. Thank you. (See Conflict of Interest attached).

Mr. Logue makes a motion to approve the Resolution. Mr. Barney seconds the motion. Motion carries 5-0-1 (with Ms. Presta abstaining).

Mr. Wachter: If I may for the practice of this Authority if anyone has abstained in the past, the Ethics Act does require that we file a conflict memorandum with the Secretary for purpose of being attached to the minutes. Ms. Presta, if you're okay with that, I will email you one and if you want to sign it and get it over to Mr. Wood, he can get that added to the minutes. Namely, the conflict memorandum would state that you are abstaining because you are unsure as to whether you are representing any of the entities.

Ms. Presta: That is exactly right and that will not be a problem. Thank you.

Mr. Wood: The Chairman has to excuse himself to the Board Room.

- d) Mr. Wood: Resolution Number 2, 2018 – Resolution to adopt the 2018 Special Events Grant Guidelines for events taking place throughout 2018.

Mr. Logue makes a motion to approve the Resolution. Mr. Barney seconds the motion. Motion carries 6 – 0.

- e) Mr. Wood: Resolution Number 3, 2018 – Resolution to adopt the Pilot Project Grant Guidelines.

Mr. Logue makes a motion to approve the Resolution. Mr. Barney seconds the motion. Motion carries 7-0.

ADJOURNMENT

Mr. Paris moves to adjourn. Mr. Barney seconds the motion.