



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

March 16, 2023

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 March 16, 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 8:33 am.

ROLL CALL

Mr. Barney, Mr. Cleaver, Ms. Hess, Mr. Oberlander, and Mr. Winschel are present in person. Mr. DiPaolo, and Ms. Loll are present via Zoom. County Executive Davis, Mr. Smith, and Mr. Shank are present via zoom. Mr. Wachter and Dr. Wood are present in person.

APPROVAL OF THE AGENDA

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

APPROVAL OF MINUTES – February 2023

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

DIRECTOR'S COMMENTS

Ms. Loll: I will have a question when we get down to the Treasurer's Report.

COMMENTS BY THE CHAIR

Mr. Barney: I would just like to say that I look forward to a productive meeting.

PUBLIC COMMENT

There is no public present for comments.

PRESENTATIONS

There are no presentations at this time.

COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Cleaver: Thank you, Mr. Chairman. We finished the year very well. We are hopefully going to approve the 2023-24 budget, but as far as the 2022 budget, we had discussed that we were overspent in a couple areas throughout the year. We weren't able to handle, we didn't have any hold on it; it was just an increase, increase in two areas. Other than that, everything fell into place, and I'd like to tip my hat to Dr. Wood for the good job. That concludes my report.

Ms. Loll: I would like to know – I see the information for one credit card; are there any more credit cards?

Mr. Cleaver: Yes. Well, I'll let Perry explain.

Dr. Wood: There is only one Visa statement because there is only one Visa card that is used by the office.

Ms. Loll: Okay, but there are other credit cards?

Dr. Wood: There are no other credit cards.

Ms. Loll: Okay, just the one credit card.

Dr. Wood: That is correct.

Ms. Loll: Okay, thank you.

Mr. DiPaolo: I have a question too. The girl that does the PR, is she still on board? Are we still paying her? I didn't see her name on there at all.

Dr. Wood: Yes, that's the firm referred to as Parker Phillips in the finances.

Mr. DiPaolo: Are they on contract with us, or how does that work?

Dr. Wood: Their contract was originally approved by this Board, but there are out-clauses to the contract.

Mr. DiPaolo: When does their renewal come up?

Dr. Wood: There really isn't a renewal; they're basically on a month-by-month basis.

Mr. DiPaolo: Okay. And we're still paying \$4,500 a month?

Mr. Cleaver: No, I believe it's \$3,000.

Dr. Wood: Yes, it's \$3,000 a month.

Mr. DiPaolo: \$3,000 a month. Okay. That's all I wanted to know. Thank you.

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

- b. Strategic Planning Committee: No meeting was held so there is nothing to discuss.
- c. Update from County Council: Mr. Shank: Thank you for the opportunity. From a Council's point of view, we don't have a lot to say other than we appreciate everything that is going on; we see a lot of good movement in the County. I know we need to kind of change things a little bit around but that is something we will all come together and talk about, but for the most part, County Council is behind you, we appreciate what you guys do, and just keep up the good work. We just want you guys to know that we are here and I apologize for the very nasally sound today – I'm coming off of a bad cold so I'm going to keep my comments brief today. So, thank you for the time.
- d. Update from County Executive's Office: Mr. Smith: Good morning, Board, Mr. Wood, and everyone. We just wanted to ask that the Board consider a few things this morning. There have been, of course, a lot of recent comments by the County Executive; I think all of us are aware of the EMS crisis that is facing, not only Erie County, but a lot of counties. That's a situation that's going to take a great deal of money to fix and we are very much interested and believe that ECGRA may be the key to solving that particular situation. We understand that you've worked hard on your mission the last many years and you've done it well but we believe you have the potential for a much greater mission and that is to help fire companies and EMS companies provide better and equal service around the County of Erie. We are very interested in the Board and the Administration and council all coming together and discuss this particular change in mission and that the Board members consider an extensive investment in this project for an ongoing period of years.

We ask today also that any voting on Mr. Wood's contract be held off, for now anyway, while the Board discusses this mission and what it might take to accomplish it. I, for one, will just say publicly that I am very grateful to Perry and have recognized his great work for a long time. But at the same time, we have to be mindful of the future of this Board's direction and the future of its investments and what it might need if it does undertake a greater mission and a different mission related to EMS protection. So, we ask that Board members do hold off on that vote today and that we immediately put our resources together to discuss this ongoing

EMS situation and how the Erie County Gaming Revenue Authority can help Erie County residents solve this problem without an additional tax increase.

I think many of us have seen in other areas it's come down to a per household fee. I think we can all agree, especially those of you who reside in the City of Erie that the tax burden is extremely hard right now on most people and this money, we believe, was always intended to help taxpayers and to help solve big issues. We believe that big issue has come along, and we thank you Board members and Mr. Wood, Attorney Wachter and all for your consideration.

Mr. Barney: Thank you, Mr. Smith. Although it is not on the agenda, I see that the County Executive is on the call. Would you like to make a comment at this time?

There is not response from the County Executive, so the meeting continues.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: Good morning, everyone. You'll see in your Executive Director's Report that we did hold an announcement with the Beehives for the Beehive funding; we did have County participation in that announcement. Everything went really well and then there was a nice presentation to the public on the Beehive concept following the press conference. The next thing you will see is that Infinite Erie has moved by expanding its membership. You'll see some information there about how we continue to add new funders and new resources to that group as we move forward to accomplish the projects in the Investment Playbook.

Next, there is a report there showing the activities of Parker Philips for the past 30 days for your perusal, and then you'll see some examples of ECGRA being recognized in the public media. I also put a thank you note in here – I always like to put in the thank-yous we receive to let the Board know that folks are expressing their gratitude for the grant funds.

You'll see an article on a project we funded down in Corry; this is actually an editorial by Steve Bishop who is with the Union City Community Foundation, but a Corry resident, writing a "thank you" editorial that was actually unsolicited. Next you'll see a little bit about downtown Union City and their appreciation for the Main Street grant and it kind of gives you an idea of how they're rolling out the façade improvements and fixing buildings up. Then there is a story about some entrepreneurship money that we put into play; this one focusing on minority owned businesses in particular.

The next article is about one of the Anchor Buildings funds we used to help the Mercy Center and their capital campaign. My report wraps up the editorial I wrote recognizing the value of the 8th Street corridor for an economic development project for the region.

The bulk of the staff's work this month was done in getting the Special Events over the finish line. Like I said prior to the meeting starting, we do have one Parks grant that was on hold in Round 1A, so this will be for Round 1B. Along with the Park and Special Events, we have the budget and the discussion of my contract. Are there any questions for me?

Mr. Cleaver: I have a question, Mr. Chairman, pertaining to Mr. Doug Smith. Doug, can you hear me?

Mr. Smith: Is that you, Mr. Cleaver?

Mr. Cleaver: How do we find out exactly what you want? We've got to read between the lines. You're saying you want us to do this or that. What, are we going to sit down and pow-wow or where do we stand on this?

Mr. Smith: That's what I would like is that we sit down and have a discussion about this so we can all put our cards on the table, rather than any sort of rumors or comments be floating around that we sit down and have a discussion and utilize your experience and your help in putting together a concept.

Mr. Cleaver: I hear you that you're looking for some subsidy there. But we have a lot of commitments out in the community now, am I right? It seems to me that you're just trying to say, "We'll just take the rest of your money and . . ." We have commitments out there and that's why, so when are we going to sit down and discuss this?

Mr. Smith: I understand that. For instance, you have about \$3M in ARP funds that are unexpended at this time and we're not looking to put you in a position where you're not following through with your commitments. This will take a little bit of time. We can set a date today, if you like, Mr. Cleaver, to sit down and have this discussion. We're happy to do that.

Mr. Cleaver: I think the whole Board would be interested in knowing what we're facing. That's my opinion.

County Executive Davis: Let me jump in here. I was in a dead spot apparently, I couldn't talk, so I'm unmuted now if you can all hear me. This is the County Executive. I just want to elaborate a little on kind of this crisis and what we're looking at best practices state-wide in terms of what other areas are doing. Lancaster, Pike County, they've already done these EMS Authorities. I mean, they've increased their efficiencies in some places by 30-40%. Last year, we had 1,167 dropped calls for EMS services. Ya know, we've got a major crisis. Ya know, this casino gaming revenue was sold to the taxpayers to reduce their tax burden, ya know, and it's time that we make good on that.

Why we're asking for the hold-off on Perry's contract would be 1) we need to look at the structure of potentially either of a) how these two Authorities could potentially work together and ECGRA could act as the County's fiscal agent for our commitment to the municipalities because this is going to have to be a municipal authority run by the townships. So, to kind of keep our money separate from what they would raise as opposed to what we would contribute, we believe that ECGRA would be the good mechanism for that. So, that's number one.

Like Doug said in his statement, we need to be very deliberate with 1) what we're going to ask of ECGRA. I think it's going to take probably four to six months to figure out exactly how that's going to work out, let the lawyers do their thing, and figure out how this is going to be structured. I think there is other things we also need to consider. What I've seen since taking office is these authorities, I mean they kind of operate in a silo, ya know, and these contracts being one, they're kind of developed in secret. Looking at this proposed contract, I mean, 1) I've learned something at this meeting already that flabbergasts me is that we're spending \$3,000 a month with Parker Philips. I mean, ECGRA has a \$4M a year budget, and we're spending \$3,000 a year on a consultant. I mean, that far exceeds what I spend for the entire County on these matters with a \$600M a year budget. So, I think that's something we need to seriously look at on why we're engaging a consultant for simple press releases or maybe limit the work that they do to save the taxpayers some money.

In relation to the contract, looking at the proposed increase of \$12,000 to Perry's salary, that's a far larger increase than we offered any of our unions and our County employees that make far less. And the extension of the termination out to a year, if you were to terminate that contract due to defunding or anything else, I mean that's going to cost the taxpayers substantially. So, when we know that there's that potential for that change to be there, I think we need to be deliberate so we're not costing taxpayers money unnecessarily. Keep in mind that even at the current salary, that's about \$20,000 more than I make for running a \$600M a year budget and 1,500 employees. I mean, we need to keep these salaries in line with reality and I think the ripple effect and the message we're sending to the community with large pay increases, with responsibilities that aren't commensurate with other jobs in the County, I mean that's something that sets a poor precedent. Ya know, and we can't look at other authorities and what they've done because they've already exhibited what I would call these poor behaviors, done these contract extensions in secret, and there's really not much public

engagement, even engagement with the Administration in these discussions. Ya know, these pay increases affect our union negotiations, which we now have seven or eight unions in the County and only which one of them has closed the contract. So, we have seven ongoing contracts to where these decisions of our Boards, Authorities, and Commissions paying folks can have a drastic effect on the County Budget.

So, what we're imploring this Board to do (CE Davis cuts out)

Mr. Barney: Are you in another dead spot, Mr. Davis? Can anybody else hear him?

Ms. Loll: No.

Mr. Wachter: He seems to have muted himself.

Mr. Shank: That's what it looks like.

Dr. Wood: So, getting back to the EMS issue for a second, as the Board, what would you like to do? Would you like to assign the Director to work with members of the Administration on this, as far as researching it?

Ms. Loll: Well, we could have the whole Board meet with the County Executive so we all know exactly what he's got on his mind and would like to accomplish with this money and how much he's looking for. So, I think the whole Board because they're going to make that decision.

CE Davis: I would agree.

Mr. Wachter: Just so you know, that would be a Sunshine meeting; that would be a public meeting.

Ms. Loll: That's fine.

CE Davis: We would have to, and I think that is in the best interest of everybody to do this – 100% completely out in the open, in a public venue and give the public an opportunity to comment.

Ms. Loll: I don't see anything wrong with doing it that way.

Mr. Wachter: If I could correct one thing though. Mr. Davis, with respect to the comments on the salary, it's not a \$12,000 increase that is in the draft that was provided to the Board. That original figure was from four or five years ago whenever that contract was originally put together. It's been increased 3% every year, so the proposal from last year to this year is only 3%. When you look at it, in a vacuum from it being updated a few years ago, it looks like a \$12,000 increase, but it's not. It is only 3%.

CE Davis: We're just gonna, I think we just have to be deliberate with that messaging and again, I think we need to look at these salaries and keep in mind they're on the other side of six figures. I mean, that's in the top 3% of Erie County earners. But I mean, I think we need to be realistic about these pay increases regardless.

Mr. Barney: I feel we do negotiate contracts in the public. As a matter of fact, last time we visited it, it was in the (inaudible) talked about. So, we're not doing anything secretive here at ECGRA, just for the record. Are there any other questions?

SOLICITOR'S REPORT

Mr. Wachter has nothing specific to report at this time.

OLD BUSINESS

There is no old business to discuss at this time.

NEW BUSINESS

- a. Resolution Number 3, 2023 – Resolution to Adopt the 2023-21 Budget

Dr. Wood reads the resolution.

Ms. Hess makes a motion to approve the resolution. Mr. Cleaver seconds the motion.

Ms. Loll: On the meeting expenses, it's gone up \$2,000, the request. I was just wondering why they felt that was needed.

Dr. Wood: We just based it upon last year's expenses. We're coming out of COVID, we're having more meetings, we're having more task forces, so it's just going to cost more.

Ms. Loll: Okay. Now is there a way, for next year at least, for us to know how much was actually spent in each line item before we get the proposed budget?

Dr. Wood: Yes. In fact, the monthly finances will tell you that. That's why we have the Budget vs. Actual statement.

Ms. Loll: Oh. Okay.

Mr. Winschel: I have a question. Is this adoption of this budget, per Mr. Davis and Mr. Smith's request to take a look at the funding, does that prohibit us if we adopt this budget? Or this is more of an operating budget rather than the grant budget?

Mr. Wachter: Mr. Winschel, we are not under the same strictures that a school district would be when they adopt a budget.

Mr. Cleaver: Are we going to include the two employees like we discussed at the last meeting? Not the Executive Director, but the employees?

Dr. Wood: This budget reflects a 3% increase for all three employees. So, if you're adopting this, you're giving us the ability to receive that.

Mr. Cleaver: Alright, I follow you. I agree with that amount.

Mr. Barney: Are there any other questions?

There is no further discussion of the resolution. Motion carries 7-0.

- b. Resolution Number 4, 2023 – Resolution to enter into agreements with forty-nine (49) Erie County Special Events grant applicants for events to be held in 2023

Dr. Wood reads the resolution.

Mr. Cleaver makes a motion to approve the resolution. Mr. Winschel seconds the motion.

Mr. DiPaolo: I have a question. Jefferson Society – how much have we given them since we have been in business here? Do you have a number on that? I can't understand why you give \$3,000 to a church for a bazaar and they get \$20,000 every time we have this. I mean, are we funding salaries up there, or what are we doing? I don't understand it.

Dr. Wood: I don't have the cumulative number on me; I can look that up and get it to you. The Special Events grant is based on a percentage of the total event budget of each of these groups. That's why the Celebrate Erie grant, for example, is right up at about the same amount. They have a larger budget as far as their Special Events go.

Mr. DiPaolo: Isn't there a way we can put a limit? I mean, I don't think that's fair to these other organizations.

Dr. Wood: We do have a limit. We have a cap of \$20,000. No one can apply for more than \$20,000.

Mr. DiPaolo: I'd like to make a motion that our cap be \$10,000.

Ms. Loll: I'll second that.

Mr. Cleaver: Then you affect somebody like the Gertrude Barber Center. You got to look at that before you start throwing those numbers.

Mr. Wachter: Can I ask a question for clarification? The current grant that is being considered today was pursuant to a particular set of guidelines stating there was a \$20,000 cap. So, Mr. DiPaolo, are you projecting for the future, or . . . ?

Mr. DiPaolo: For the future.

Mr. Wachter: So it wouldn't affect today.

Mr. DiPaolo: You do what you did now as far as what you're going to give to these organizations now, but in the future. I mean, this is out of control. I don't think this is right that one organization gets \$4,000 and one gets \$20,000. That's not being fair to the public. Now whether or not \$10,000 is going to affect other organizations, I mean look at the money. I'm 1,000% for the Barber Center, but look at the money they generate on their own. So, we're not hurting them by giving them \$10,000. I'm sure that they would welcome that. That's my opinion and I just think that it's wrong that we're doing this to other organizations.

Mr. Wachter: Before we consider your motion, Mr. DiPaolo, we have a prior motion on the table to approve this. That motion needs to be disposed of first.

Mr. DiPaolo: That's fine.

Mr. Wachter: And then I would say we can come back to that.

Mr. DiPaolo: Sure.

Ms. Hess: Tim, I sit on the Community Engagement for Harborcreek.

Mr. Wachter: Then you should abstain.

There is no further discussion of the resolution.

Mr. Barney: We have a motion and a second. Let's proceed to roll call.

Mr. Wachter: So, this is a roll call to approve the resolution as written.

Motion carries 6-0-1, with Ms. Hess abstaining.

Mr. Wachter: Now Mr. DiPaolo has moved to create a \$10,000 cap in future grant applications. It has been seconded by Ms. Loll. Now would be the appropriate time to call for discussion on that particular item.

Mr. Cleaver: From what I understand, each one of these individual groups send in to you a breakdown of their expenses and then a percentage is given to them, am I right?

Dr. Wood: That is correct.

Mr. Cleaver: Now, when you mention, Dom , the Gertrude Barber Center, they have 10 or 15 events a year. St. Stanislaus has one. I mean it's a fair distribution as far as I can see.

Dr. Wood: The way the current formula works is that it's based on the size of the event. In other words, this grant is scalable. For a small event like the Gathering at French Creek in Union City, it's going to be a smaller amount than the Sunset Series at Presque Isle, which appeals to different size audiences and therefore has different size budgets. It is an objective way to fund the Special Events by doing it by a percentage.

The other thing is, it basically creates a sponsorship level that's appropriate for the event size. So, to do \$3,000 for the Greek Fest is relative to the size of the Greek Fest. Whereas, Celebrate Erie, probably the largest event in the region, caps out at around \$20,000. Now, we did create a cap for the reason that Mr. DiPaolo said. In fact, back when Roar on the Shore was around, they could be potentially eligible for up to \$50,000 because that was a huge event. We put the cap in place in order to give the Board the ability to not spend too much on a sponsorship.

The idea of where the cap is, that's a discussion the Board can have, for sure.

Ms. Hess: Being fair doesn't mean equal.

Dr. Wood: Fair doesn't mean equal. In this case, it's proportional.

Mr. Winschel: So, I think the Board has it at 5% of the operating budget, correct? And because we'll have future discussions around this, I'm just curious to see how many other groups are in that \$10,000 to \$20,000.

Dr. Wood: So, you mean how many would be affected by the cap?

Mr. Winschel: I can see the ones on this list but the ones from the past.

Dr. Wood: This list is a pretty good indication of the past, and probably of the future.

Mr. Winschel: I got you. Okay. Thank you.

Dr. Wood: So, the county fairs, for example, we'd have to bring them down to \$10,000 but in a place like Wattsburg or Albion, that's the biggest thing going. So, it's great for us to be able to go out there and provide them with those funds.

Mr. Oberlander: When would we have to decide? At this point, we've had some discussion.

Dr. Wood: We had a motion and it was seconded. We're discussing it right now. They would either have to approve or deny that motion. But what we could do is we could vote the motion down and we could have some Board discussion. We could have the staff bring you some more options. We can do that.

Ms. Hess: We could table it.

Mr. Wachter: You could table it, as Ms. Hess has just suggested. Perry, when is this grant scheduled to be reopened?

Dr. Wood: It will reopen next January.

Mr. Barney: And we've already voted for today so we've got time to revisit it and decide if we want to adjust the max.

Ms. Hess: This feels a little flippant to do this just right now. It deserves discussion. My recommendation would be to table this until we can discuss it more and really see how it impacts all of these organizations.

Mr. Winschel: And to be fair it affords these organizations time to make adjustments if there is a change.

Mr. Wachter: The appropriate way, if I may, Mr. Chair, is that a motion to table the motion, Ms. Hess?

Ms. Hess: I make a motion to table this.

Mr. Wachter: Now you would call for a second and then there is no discussion on whether to table. If that were to prevail, it would be tabled, if not, you would proceed with the vote on Mr. DiPaolo's motion.

Mr. Cleaver: I'll second that motion to table.

Motion carries 6-1 to table the motion to decrease the cap on Special Events grants, with Mr. DiPaolo voting in the negative.

- c. Resolution Number 5, 2023 – Resolution to enter into agreement with one (1) Erie County community organization engaged in Parks, Fields, and Trails as part of the Community Assets, Round 1B

Dr. Wood reads the resolution.

Ms. Hess makes a motion. Mr. Cleaver seconds the motion.

Ms. Loll: Does anybody know what they use this park for?

Dr. Wood: It's a dog park.

Ms. Loll: Okay. So, it's an area that's fenced in to release the dogs so they can exercise?

Dr. Wood: There is a section of it, but it's part of a bigger parks plan that they have on their property.

Ms. Loll: Have we seen that?

Dr. Wood: We've seen pictures of it in the grant application.

Ms. Loll: Okay. I don't remember this.

Dr. Wood: We can go check it out. We do site visits all the time. If there's ever any site visit that anybody on the Board wants to go check something out, let us know. We will either set it up for you or we will go with you.

There is no further discussion of the resolution. Motion carries 7-0.

- d. Resolution Number 6, 2023 – Resolution to Approve the Employment Contract of the Executive Director

Dr. Wood reads the resolution.

Ms. Loll: Are we going into Executive Session now?

Ms. Michali is asked to stop the zoom recording and Dr. Wood, Mr. Maggio, and Ms. Michali leave the room. Any of those on the zoom call that should not stay are removed from the zoom meeting at this time. Executive Session is called at 9:13am for purposes of Personnel.

Executive Session is concluded at 9:45am.

Mr. Wachter: We are out of Executive Session and we are back in public session. Mr. Chairman, I believe there is a motion with respect to Resolution Number 6. I believe that the conversation was that there be a motion to table until no later than the September meeting.

Mr. DiPaolo makes the motion. Ms. Loll seconds the motion. Motion carries 5-2, with Ms. Hess and Mr. Barney voting in the negative.

ADJOURNMENT

Mr. Cleaver moves to adjourn. Mr. Oberlander seconds the motion. Meeting is adjourned at 9:47am.