



MEETING OF THE BOARD OF DIRECTORS
5240 Knowledge Parkway; Erie, PA 16510
July 14, 2016

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES – June 2016
5. COMMENTS BY CHAIRMAN
6. PUBLIC COMMENT
7. PRESENTATIONS
 - a. Matthew Pundt, Central Tech, Tech After Hours
 - b. Kris Wheaton, Mercyhurst University & Quickstarter, Ignite Erie Partner
8. COMMITTEE REPORTS
 - a. Treasurer's Report
 - b. Regional Assets Committee
 - c. Strategic Planning Committee
 - d. Update from County Council
 - e. Update from County Executive's Office
9. REPORT OF THE EXECUTIVE DIRECTOR
10. SOLICITOR'S REPORT
11. OLD BUSINESS
 - Amendment of the 2014-2015 Audit as presented
12. NEW BUSINESS
 - a. Resolution No. 15, 2016 – Resolution to accept into record the 2015-2016 Audit as presented
 - b. Resolution No. 16, 2016 – Resolution to advertise the attached RFP for Governmental Relations Services
 - c. Resolution No. 17, 2016 – Resolution to adopt the ServErie Lincoln Elementary School Pilot Project
13. ADJOURNMENT

Next Regularly Scheduled Board Meeting of ECGRA

Date: Thursday, August 11, 2016
Time: 8:30 a.m.
Location: 5240 Knowledge Parkway, Erie, PA 16510 (JORDAN ROOM)



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
June 9, 2016

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on June 9, 2016 at 5240 Knowledge Parkway; Erie, PA. 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. Domino (arrives late), Mr. Paris, Mr. Peters (leaves early), Mr. Sample, Mr. Yaple, Mr. Wood, Mr. Breneman (arrives late), Mr. Lee, and Mr. Wachter are also present.

APPROVAL OF THE AGENDA

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

APPROVAL OF MINUTES – May 2016

Mr. Peters makes a motion to approve the minutes. Mr. Paris seconds the motion. Motion carries 5-0.

COMMENTS BY THE CHAIRMAN

Sample: I see that the Erie School District may run into some problems with their payroll. There seem to be some solutions on their horizon. And, if that is the case, and if the solutions are in place, and if they do have an issue, I would propose that we give them a bridge loan or some type of temporary financing at our cost in order to ease that, so that they can continue business as usual through the summer. I don't know if that would take a motion and a vote so that we wouldn't have to meet again if it were to happen?

Wachter: Clearly I do have a recognizable conflict in this matter. I just want to put that on the table. Legally, I believe that if you wanted to give that authority to your executive director to negotiate that, you would have to do two things: One would be a motion to approve giving the authority to Mr. Wood to issue a bridge loan to cover expenses in the event that there were

sufficient payments identified to refund your monies; the second thing is you would have to determine whether you would be willing to waive the conflict to allow me to operate as the attorney for the Gaming Authority and the School District on that. And, if you don't, I'm absolutely fine with that, and we'll get conflict counsel on either side.

Sample: Is there any discussion among the board? My proposal is that we would give them bridge financing so that the Erie School District could continue to operate business as usual with the understanding that they have the money forthcoming, and it's just a timing issue.

Barney: And we don't have any time restraints?

Sample: It's going to be over the summer. They may not be able to make July payroll.

Wachter: What I can tell you is that the county executive has convened various meetings of legislators, and we have another one this afternoon, in order to further discuss this. There have been some very positive meetings with the senate legislative leadership that are off the books. In the event that a solution was to arise, the concern from the Erie School District's position is that the money would come in August, and they will be unable to meet payroll. So there are some timing concerns, and I think that if you wanted to do that, that may help take some of the pressure off of some of the timing concerns. However, I would suggest that you put some parameters on there, such that this isn't to replace a bank loan; this isn't to do anything other than to be just a temporary stopgap due to timing issues.

Peters: The last time that I was privately lobbied about this issue was last year, and someone came to me and said, "If I brought this to your board do you think that they would be willing to cover the closing costs related to a PNC loan?" I said, "Absolutely not." I don't understand where this comes from, and I don't know how much money we're talking about.

Sample: It is solely me. Nobody approached me. I just saw it this morning on the news that they may not be able to make July payroll. My thought was, whatever cost you incur, whether it's closing or something else, you're just adding to the bank fees. I thought if we could just loan it to them, and we would receive back the same interest that we do receive...

Peters: I think there would have to be significantly more analysis of this. First of all, how much money are we talking about?

Sample: It could be up to \$4 million. That would be two payrolls.

Peters: I think there is significantly more discussion and research and understanding...for me, for my vote, I would have to really much better understand the situation than I do right this minute. And regarding legal counsel, we've never had an issue with Knox when we've negotiated with other authorities or boards that we've given money to. This is a pretty significant and public issue of which you have been front and center, and, personally, I would want to put some thought into whether a conflict waiver is appropriate in this situation or whether we should seek outside counsel.

Sample: So I guess the motion could go either of two ways. One, we could explore what our exposure would be if we were to go forward, and the other one would be that we would go forward. I brought this to them. Nobody said anything to me. I just saw it this morning on the news, and rather than have all these people spend all their time figuring out how to do it, if we could do it and be secure, I would be comfortable in going forward. The security is the issue. If we knew the money was coming.

Wachter: Mr. Sample, would it be appropriate then to, recognizing Mr. Peters' comments, which are very well taken, and, as I said, please get conflict counsel if you like – I'm probably more comfortable with that, actually. The reality of the situation is that it's so fluid that I'm not even sure the Erie School District would know what to ask you for at this point, and they probably wouldn't know until July 1st, 2nd, 3rd, 4th – until that time that maybe to resolve some of

the concerns Mr. Peters would have, that if Mr. Wood would be authorized to at least make an offer or engage in a conversation with the administration, and if it was to realize that, you would call a special meeting, if necessary, to do so.

Sample: I would be comfortable with that.

Peters: Do we need to authorize the executive director to talk to people? He talks to people all the time.

Wachter: I would think that the executive director would like to, if that conversation was to occur, to make sure that you at least have a general understanding that this is _____.

Sample: I would like to request it just as a CYA thing.

Paris: My biggest concern is would this open the door for everybody else...

Peters: Of course it would. It also flies in the face of what we're always trying to do, which is due process.

Paris: Is it a good idea?

Yaple: The other thing is, risk and reward. What are we going to lose if we don't do something? What good is that money sitting in a bank if we could effect change somehow? Granted we have to investigate, we have to look into it, and we'll open the doors. We have the right to say "yes" or "no". What would be the end results?

Peters: Covering operating shortfalls of organizations that have other means of getting fees is not the business that I personally would ever endorse. This is in no way me being (as you heard at the last strategic planning meeting) in any way negative about the Erie School District or not wanting to help the Erie School District. However, there are probably three organizations in the audience that will probably in the next year be concerned about an operating shortfall. They'll be here saying, "You remember when you decided out of the blue to throw \$4 million towards covering payroll at the Erie School District? What about us?"

Yaple: But if they have money coming, just like these guys do, this is a shortfall. That's what I'm saying. This is just a band aid.

Peters: So we're going to become a bank?

Yaple: Well, you know what? So be it.

Sample: If the money is available in the timeframes, I don't want to do it. What I'm saying is that the constraints aren't going to come forward for the School District. I think it's our position that we should at least make the offer.

Paris: This is just going to put us in such a public eye, and put a target on us.

Yaple: And it's going to put us in the public eye if they find out we didn't do it.

Peters: I couldn't care less, as I've told all of you repeatedly, about being in the public eye – either positive or negative. We're here to do a damn job. There are a number of steps. If we're going to do anything, I would suggest that we talk to counsel to understand if we're in the business of making direct loans to entities, and if so, what are we going to have to do to be appropriately protected? And, in addition, how do we make sure that we're in compliance with other directives that have been given to us, primarily, Judge Dunlavey, and what kind of precedent does it set? This issue is way bigger to me than just the School District. I understand that's an important issue we're facing, but when we knee-jerk, no one has even asked us for help yet. We're just going to start going to people we think are more important than others and offer money? I don't see if personally. I would go back to my earlier comment, for the record, that I think significantly more research needs done, and I would propose, if this is important enough to discuss, because we're 20 minutes into our meeting, we'd better schedule a special meeting and discuss it. There's a lot on the agenda today. I don't feel the need to authorize Mr. Wood to investigate new programs. Mr. Wood investigates new programs with great frequency.

Sample: You don't need authorization to do it, but you may want to do it.

PUBLIC COMMENT

No comments.

PRESENTATIONS

- a. Greg Ruban, Felix & Gloekler: I am going to be going over the March 31, 2016 financial statements draft. These are in draft form, so if you do have any questions or changes, those can still be made. I'm hoping to get the finals approved for your next meeting. I'm going to go through here and hit the highlights. If you have any questions while I'm going through it, feel free to interrupt me, and we can go through any questions or issues at that time.

I'm going to start you out on page 3, which is the independent auditor's report. It states that we've audited the financial statements of the Erie County Gaming Revenue Authority as of March 31, 2016. The next section, that management is responsible for the financial statements and assuring that the preparation is in accordance with generally accepted accounting principles. And in the last section, noting that our responsibility is to express an opinion on the financial statements based on our audit.

On the next page and the first section are listed our opinions which state that the financial statements present fairly, in all material respects, the financial position of the authority as of March 31, 2016. So, a clean opinion on the financial statements.

The last section covers the management discussion and analysis, which has been omitted from the financial statements, and our opinion has not been affected by that omission.

Because you are a government, you show two sets of financial statements – virtually the same numbers. I'm going to have you start out on page 7. These are more in a format that you are used to seeing. Page 7 is a balance sheet. You have total assets of \$15.4 million, most of that, \$13 million, being in cash and cash equivalents. You have the notes receivable of \$2,350,000, and those are with The Fund, CIBA, and you had a new one this year with Bridgeway Capital. No liabilities on the books. So, actually, your assets equal your fund balance of the \$15.4 million, and of that you have the non-spendable amount. Those are just your prepaid expenses. If you look up in the assets, there's that \$7,900. The committed amount - \$5.1 million - are any grants that have been approved by the board before March 31, 2016. So those are going to be committed for those funds in the future, expecting to be used for those projects.

Wood: Those include mission-related investments.

Ruban: So that leaves your unassigned fund balance of \$10.2 million as of March 31. So that is available for operations or issuance of other grants.

Turning to page 8, the revenues and expenses, at \$5,576,000 in revenues, most of that being Gaming Revenue - \$5.5 million. Your expenditures in total, \$4,711,000, most of those being the grants awarded out of \$4.3 million. So overall profit for the year of \$865,000 for 2015-16.

For footnotes we had a couple changes on page 11...

Peters: Can I ask you a question about page 9 before you skip to 11? Section A, the final paragraph. Could you define in this report what a "discretely presented

component unit" is as there has been significant discussion over the years related to whether we are a component unit of the county or not? I understand from our solicitor that being created by the county creates this "discretely presented component unit" which is different from being a full component of the county.

Ruban: Correct. There are two types of component units: there is "blended," and "discretely presented". "Blended" means you're shown as another fund of the county. So, if you would pull up their financial statements, you'd have "General Fund," "Children and Youth," "Gaming Authority." You'd be combined with all of their funds. You aren't like that. If you go to the one other set of statements they have on the county's reports, here's the "County," and here's the "Authority" shown separately. There is no total of what the county is combined with the authority. So you are the more separate one on there. And I know there have been disagreements about whether you're considered a "component unit" or not, and, actually, we had contacted the AICPA on how that is supposed to be presented. I guess, technically, it doesn't matter, for lack of a better term, is how they present it. If you're considered a "component unit" in their eyes, you should disclose that you're a "component unit," whether you disagree or not. So that is why that was added this year.

Wachter: But the legal effect of that is merely because the Gaming Authority was a creation of the County. Because it's a creation of the County, those numbers are showing up on a set of books at the County, but it doesn't provide for any legal authority over the Gaming Authority.

Ruban: Correct. I believe their footnotes describe that they do appoint the board and that they provide most of the funding that comes through the County, and I believe that is their rationale for it. We looked at other factors, such as, do they have significant influence on the board? Can they take someone off of the board? And they don't have that authority, where if you're not voting in their eyes the way they want you to, they can kick you off and put somebody new on. They don't have that authority, so that was our rationale as to why you shouldn't be a "component unit" of Erie County, but I guess they see it differently.

Wachter: Would it be appropriate for you to put definition of a "discretely presented component unit" as opposed to a "blended" unit and the differences for that just so we don't re-engage in old debates? Do we have an understanding as to the meaning of the terms?

Ruban: Sure. We can do that. One of the changes was in the footnote on Note 2, page 11. This note is discussing the motion related to the 2010 settlement agreement. The first paragraph discusses the 25% that gets issued out to the various municipalities. The second paragraph discusses the requirement of that settlement that a portion will go to the Lead Assets from 2010 to 2014. The last couple sentences discuss that those revenues received for 2014 were issued in 2015-16 and that the Authority received a release in acknowledgment from those Lead Assets that the Authority has met their requirement for the agreement. And that's also discussed on page 12, Note 5, the funds going over to The Erie Community Foundation.

Peters: Before that, I have a question about Note 3. I understand that we've always had fully collateralized accounts. But what that means is that the bank's collateral is other securities, not a cash equivalent. If the market were to tank and the bank fails, we are not protected other than the \$250,000.

Ruban: No, they usually have to have government securities to cover those funds. All governmental funds are supposed to have, I think it is 105% of their securities covered. So, if they do fail, they should have something stable that will get you your funds back.

Wachter: There is a collateralization act that banks have to follow when dealing with government funds, and they list the same state of securities that our limited investments will allow, essentially. Back on Note 2, just a matter of tense, in the first paragraph after we have the listing of the entities, it says we "will first distribute." I think it would say, "the Authority is to first distribute twenty-five percent." And then in the second paragraph, "In addition, the Authority will distribute thirty percent of the gaming revenues for the years up through 2014." It should say, "the Authority distributed at least," because we have exceeded our obligation, and it has expired now.

Ruban: No problem. In relation to Note 5 discussing the irrevocable gifts that have gone over to The Erie Community Foundation related to the Lead Assets, noting that that, again, had been part of the 2010 settlement, and the final payment has been made and discussing possible funding agreements in the future with the Lead Assets.

Peters: The last sentence that you just referred to, "Currently the Authority is determining a new funding agreement," I'm not sure that is accurate. Aren't we determining a process by which existing funds would be distributed? Semantics, but important.

Wachter: I agree with that. We're discussing a memorandum of understanding with the Lead Asset Organizations to come to agreement on the distribution of funds in the endowment. The methodology of the distribution of funds.

Ruban: Okay. I'll work with Perry on the wording of that. Any other questions? I know you're just getting this now, so feel free to contact us. We did also give you a letter that goes to the board, and a negative assurance letter. This is where we discuss if we had any significant audit findings, difficulties we encountered in the audit.

Peters: Note 6 – Note Receivable. At what point do we need to disclose in the financials that there is at least some concern over the credit-worthiness of an entity that you loan money to.

Ruban: That is something we evaluate every year, and that can be disclosed at any point. If you feel that you know something now.

Peters: It's very public that GEIDC, parent of the Enterprise Development Fund, is in Chapter 7 liquidation, and although the Enterprise Development Fund is an independent entity, I have at least some concern that they are a creditor of the Chapter 7 of the parent. In addition, they have other at-risk credit, I believe, that could adversely affect us, and we are the least secure, I think that's safe to say.

Wachter: We're not secured.

Peters: We're unsecured and subordinated to everybody and their brothers, including the other unsecured...

Wood: I think it's a good question. At what point in time do we need to receive documentation in order to take that step? All we've received so far is a letter from the bankruptcy court informing us about GEIDC, which we didn't need a letter to know about, but that is a formal documentation. At what point to you actually take action in your audit to recognize that?

Ruban: That was one of the considerations we did have. We actually do the audit for The Fund and GEIDC, so I guess having more knowledge of that, we were able to

consider would there be an impact to the Gaming Authority that would be significant? We evaluated The Fund's financial statements and saw about their ability to repay. And based on their financial position at this time, we didn't feel it would be a concern.

Peters: Out of an abundance of caution, it wouldn't hurt to note in that first paragraph some of this so that at least it's clear to anyone that we've reviewed our audit, and that this board has taken a review of this matter very seriously. I would expect that we take action on this next month?

Wood: Yes. This is only a draft. Let me go over the timeline really quick with you. So, typically in June we see the draft presentation. Most of the time it is the first that the board has seen anything. You'll have a full 30 days to review it. In that time, you can ask me any questions you want, you can ask the treasurer any questions you want, or you can ask Greg directly any questions that you want about specifics, shortcomings, additional things like Mr. Peters just mentioned. Then at the July board meeting, we have a finance meeting that precedes the board meeting from 8:00 a.m. to 8:30 a.m. We will then review the final draft, making sure that all of the amendments or comments that have been mentioned during that 30 days are included or are discussed for inclusion. Then at 8:30 the auditors' official report will be submitted into record, and, hopefully, voted on by the board for acceptance. At that time, the audit then goes to Erie County Council, Erie County Executive, and the Erie County controller's office for permanent record. Now, before I move on, there is one other thing I wanted you to talk about. In looking at last year's audit in preparation for this year's audit, we discovered a discrepancy in the numbers that has been entered into record. Do you want to discuss that?

Ruban: There was a typo in one of the numbers. If you turn to page 6 of this year's financial statements, under the "Total Expense" column, the actual column in last year's financial statements did not put, the far right column did put. So everything's still balanced. There was a typo in that expenses column that we were going to send Perry. We'll send an updated financial statement for that.

Wood: I believe we should accept the new audit into record, vote on it, and then redistribute it to those entities I just mentioned. This is last year's audit. Questions about that?

Ruban: I want to thank Perry and Diane for their assistance. They really make the audit a smooth process. A March 31st year-end and we're here with a draft already in June. We don't say that very often.

- b. Shawn Waskiewicz and Aaron Lundberg, ServErie. Wachter: Mr. Chairman, before Mr. Waskiewicz and Mr. Lundberg have a discussion here, I do need to point out that I am the solicitor for the Erie School District, and the proposal that they're suggesting is one that would directly benefit the Erie School District regarding a renovation at Lincoln Elementary. I have had discussions with these gentlemen regarding some of the School District's legal aspects of the proposal, essentially with access to the building, and releases, and things of that nature. However, as you know, I don't have any vote as to whether you are going to approve this. I just want you to move forward with that, and if you have any concerns, I'd happily withdraw from any representation of this matter.

Waskiewicz: Good morning. I'm Shawn Waskiewicz, Executive Director of the Flagship Niagara League and Tall Ships Erie. This is Derek Sanford. He's the lead pastor of Grace Church. And Aaron Lundberg is the Executive Director. My role today is that of project manager of ServErie. I've been helping out the team for the last three

years, and I fully support what they're doing in Erie and for all kinds of community leaders, buildings, and things that we're renovating and helping out for the last 7-8 years of this project. Derek is going to give you an introduction about ServErie, what we are, what we're proposing as a pilot program for Lincoln Elementary School, and then if you have any questions, we'll be happy to answer them.

Sanford: Thank you very much for the honor of being here today. I want to give you a quick overview of what our organization is about, and then talk about the current project that we're looking at. The name of our organization is ServErie. ServErie is a movement of Erie churches and organizations that are committed to serving those in need in our city through local service agencies and neighborhoods. We are typically partnering with existing organizations and neighborhoods. With hundreds of volunteers, ServErie has made a significant impact on our community by being the hands and feet of Christ through building relationships and spreading hope. Let me just talk about a brief history of ServErie, and there are some pictures on the screen here that may give you a little glimpse.

We started in 2008. We had 55 volunteers on a couple of school buses that went into the community and served. That has turned into four Saturdays per year. We board school buses and go to a variety of difference sites throughout the city to serve. For four Saturdays per year since 2008 we've been going into the community. The organization has expanded from two churches, which is what we started with, to 44 partner organizations, student groups, and businesses. We've had groups from LECOM, from local high schools, employee groups from Starbucks and a variety of other companies join this movement as well. It's really expanded to 44 now partner organizations. It's also expanded into an East County and West County operation. So, not only are we serving within the city of Erie, but we're also serving in the East and West Counties now. The most recent ServErie happened in February – this is a Saturday morning service project now – February had over 450 volunteers and 20 locations. You can see from that original number of 55 people that we've grown to over 450 volunteers.

There are a few key principles that we operate by. One is to solve the proximity problem. When I say that, our hunch was that there are a lot of great people in our organization – a lot of great people in our organization that have big hearts and want to help the needs of the city. The problem is, most of those people don't come face to face with the needs of the city on any given day. So we reasoned that we could close that proximity gap and help people with big hearts come face to face with the needs of the city. The reason we use school buses is so that people don't have to worry about where they should park or where they are going. We have a ready-made service opportunity where they just need to show up.

The second principle is to make it easy and fun. We want to create those opportunities for people to serve alongside neighborhoods and people who are living in those neighborhoods to help improve and beautify their neighborhood, and we want that to be a great experience for everyone involved. We do the behind-the-scenes work to make sure that when they show up, there is going to be great work to do and that they are going to have a great experience.

The third thing is that it is all about relationships and uniting the community. Our belief is that poverty and some of the other issues that our city is facing, are not solved just by money, but that they will actually be solved by relationships. That's why we believe strongly in partnership – with putting the right people engaging in these

community projects. We've often described our role as making the handshake and then stepping out of the way, because we believe that relationships are going to go a long way in addressing some of the needs in our city.

That's a little snapshot of what ServErie is. Our current project, which is a pilot project that we are working on in conjunction with the Erie School District and Lincoln School is going to be happening this summer, July 15-17. That is a Friday, Saturday, and Sunday. Lincoln School, if you don't know, is right here at 31st Street – 831 East 31st – which is right in the proximity of Mercyhurst University between 38th and 26th Street. Here is what we're going to be doing over those three days at Lincoln School. We're going to be renovating this 99-year-old elementary school. It's a school from pre-K to grade 5 with about 500 students. Erie Public Schools and Dr. Badams picked this particular school as part of their optimization plan for the future. We really wanted to work in conjunction with some of the plans that the Erie School District already has for their schools. And they prioritized this school over all the others as the one that we should start with in terms of our work.

The public schools do not have a budget to update and fix all the repairs that Lincoln needs. In fact, when we were there and looking at some of the needs of the school, for example, the parking lot is in pretty bad shape. We were talking with the head of maintenance who said, "If we were to fix this parking lot properly, we would use the entire maintenance budget that the district has for all of its schools." Teachers buy most of the supplies for their own classrooms – things like Kleenex, wipes, markers – the teachers currently are purchasing for their own classes.

Here's the kind of work we'll be doing. You see some pictures here that were taken at Lincoln. We're going to be doing a lot of painting, scraping, and general cleaning of the school. The auditorium, stage, cafeteria, gym – we're going to be focusing a lot of our attention there repairing some of the seats – which are in desperate shape. When some of our teams were going through to look at the work that we were going to do, one of the common comments was, "This looks like an abandoned school. I can't believe kids are actually attending here." There's a lot of work to be done, and we believe we can make a big dent.

We're going to be doing some power washing and painting outside – sorry that some of these pictures have snow in them. The concrete sills and the whole front entrance need to be painted and cleaned up. The playgrounds are in need of landscaping and general TLC.

Why does this matter? A lot of this is based on research. I can send you some of the articles, if you're interested. There is a lot of research to show that physical elements in the classroom, improve comfort and wellbeing, attitude, and academic achievement among students. The environment they are in is very important. Building quality has been linked to higher test scores, and capital investment has been linked to academic achievement, teacher motivation, school leadership, and student time spent learning.

There are four little letters there on the bottom of this slide – TGIM. The principal of this school is an unbelievable woman, a committed servant to these children. When we were there she had one of the youngsters in her office and was giving him a little extra attention. Come to find out that this young man's family had broken apart, and she said that the teachers and administrators in the school are regularly giving extra attention to some of the kids whose home life is not great. A lot of us live by the TGIF mentality – Thank God It's Friday – and we were recognizing that a lot of these kids live

by the TGIM – Thank God It's Monday – because the weekends and the struggle at home are so difficult that the school is actually providing that structure and that breath of fresh air that they look forward to. So, that's why it matters.

It's a volunteer-led initiative. We are expecting well over 1,000 volunteers from the community. Each day - Friday, Saturday, Sunday – there will be two shifts of work – 9:00 am to 1:00 pm, and then 2:00 pm – 6:00 pm. People can choose to serve all day, if they'd like. On that Saturday, school families are going to have the opportunity to help, so we're inviting parents and kids to come help and serve at the school from 10:00 am to 3:00 pm. Also on that Saturday there will be a mobile health clinic and Family Fun Day with bounce houses, and all that kind of stuff. We really want to bring that neighborhood together.

Let me just talk about, "Why ServErie?" for a moment. We know how to mobilize large numbers of volunteers. We've been doing this for a long time, and we're skilled at doing it. We are able to draw from a variety of resources around the community and get people mobilized toward a project. In fact, some of you remember when Extreme Home Makeover came in some years ago. They, and Maleno Development, who ran the project, contacted us to help run the volunteer side of it, because they knew that we were able to do that.

Here's the other thing that I'm excited about is that many people, including influential community leaders, are going to be exposed to the needs of the school through this. That proximity problem that I shared earlier applies very much here. The Erie School District is in the news a lot. The needs are very well known across our community. I think there are a lot of good people reading the paper, watching the news, or reading their phone saying, "I believe in this. I just don't know what to do. How can I help? What is a practical thing I can do?" And what we are doing here is giving people a practical step they can take to get hands-on and involve themselves.

We're going to build a bridge between the community, neighborhood watch, and Lincoln School, which is a bridge that needs to be built. And the other thing that ServErie brings is that we're not one-and-done. As I said earlier, we're all about relationships. This isn't a one-time deal where we're going to come in, and then leave, and you'll never see us again. This school and this neighborhood will be part of our ongoing development for the future.

An expense summary here – we don't need to walk through this – but this is our dream list, a total of \$86,991. We're looking at other funding sources, obviously – Kiwanis, local businesses, churches, and private donors. The last thing I would like to say is, as I said earlier, this is a relational thing about hands and feet and serving. Volunteer opportunities are available, and I would even encourage you, if you're available, to volunteer. You can go to serverie.com to sign up.

That's the presentation, and that's what we're doing. I'm certainly open to any questions that you might have.

Waskiewicz: The other comment I would make is that over the last six months or so we've had numerous meetings with the School District, and Dr. Badams is on board with this project. We don't have any issues with the unions. They've been in touch with the unions and have informed them of the work that we will be doing. I just wanted to make sure that the board knew that.

Sample: Thank you. We appreciate your efforts.

c. Gary Horton & Gar Giles, UECDL Inner-City Update. Horton: Good morning. First of all, I want to thank you for your consideration and support of Invest Erie, our inner-city economic development initiative, particularly since last January when I slipped and tore my quadriceps muscle and just recently returned to work and started driving again. I think that's important because with your project I've been able to take the support of Perry and the indispensable assistance of a guy I call my offensive coordinator since I've been the community quarterback of this initiative. Now, although I'm a Cleveland Browns fan and we haven't had particularly good success with quarterbacks, I think this year is going to be different. We'll win the division. And with that also, I want to establish the fact that the quarterbacking role that we're playing in this initiative, we're poised for a breakthrough. Gar Giles is a gentleman who came into our world through a capacity grant that we received from Pat Black through The Erie Community Foundation. Because of that experience, I thought that he was well suited with his legal background, his experience in finance and economic development, and would be just basically what we needed to bring you the return on the investment that you've made in our project. And with that, I'll have Gar take over the presentation.

Giles: Gary, thank you. And thank you all for having us today. I'll be really quick. I know your time is short. We were here last year, because this organization stood up to help UECDL with a capacity-building grant. The idea at the time was that UECDL would merge, create a partnership with CCDC, and have a better, more fortified lending entity that could get certified by the treasury and put some government-backed funding program into the community. There was some issue getting CCDC on board, and the question at the time was, "What to do?" The research we had done until that point enabled us to understand we really didn't have to create a new organization to get the traction in Erie that we wanted. We approached Perry to talk about redirecting use of funds, and this organization approved the redirection, which allowed us to put on a symposium last February. That symposium, which was called "Racial Equity in Social Impact Investing" was the culmination of our effort to engage the Erie nonprofit lending community, along with the national leaders in lending and nonprofit and equity investing, at the convention in Detroit of Opportunity Finance Network. We suggested to them that we were going to bring a community of Northwest Pennsylvania nonprofit lenders to get on their radar so we could garner their support here in Erie for projects. That occurred, and as a result of attending that conference with Gary, and meeting the executive director of OFN, and so forth, we were able to have a symposium here in February. I was pleased to be with Chuck Peters and Perry Wood that day at the Jefferson Educational Society. The importance of it was that we garnered new partnerships with Community Development Venture Capital Alliance, which is the largest nonprofit venture capital entity, and is managed by Chris Reim, an Erieite, who is in New York.

We also strengthened our partnerships with Bridgeway Capital, HUD, Opportunity Finance Network, Small Business Association, and our project partner for the symposium was a company called Sulcrete. We're here today to give you an update on Sulcrete, and an update on what we are calling the "Made in Erie" campaign.

As a result of that symposium, a couple things happened. Folks said, "Well, you're talking about doing things at Opportunity Park, the Joyce A. Savacchio business park. We'd like to consider that there should be an opportunity in the park for us to coalesce around." So, what's happened is that Chris Reim first recognized that the Sulcrete project, and there will be some attachments provided to all of you, had the potential to

meet the metrics to receive an allocation from the Treasury Fund regarding the New Market Tax Credit program. So Chris Reim sent this email around about how he receives a \$15,000,000 allocation every year, and his organization is looking to Erie.

At the time of the symposium, Sulfcrete still needed to accomplish milestones of its own so that equity investors would be attracted to it. Today's update is as follows. Regarding Sulfcrete, which very quickly is an invention from the Brookhaven National Laboratory, where they are able to make a concrete out of a Sulphur polymer that doesn't erode, and has climate resiliency – which is the term that they use. It doesn't require water in its production, and it doesn't emit carbon. What's happened since the symposium where we have put together a burgeoning ecosystem here including Penn State Behrend, which wrote a letter of support that they'd like Sulfcrete to be its corporate partner, and engaging some of the local industrial operators – Austin Servall, Precast, and many others, Duchini. Since the symposium, Sulfcrete, a working ecosystem in Washington, DC, which we hope to soon replicate here.

Its partners today include the DC Department of General Services, Georgetown University, MIT Environmental Hub, and the U.S. Ready Mixed Association. Those entities, under a grant provided by Georgetown, are pouring Sulfcrete at Georgetown over the summer. The culmination in January 2017 is a global symposium at Georgetown around the pollutive nature of Portland Cement, and viable alternatives to Portland for niche applications. And that is one of the reasons they are studying Sulfcrete. Professor Delgado at Georgetown is one of the world's leading scientists when it comes to concrete and rocks, and her recent publication, in conjunction with the MIT Environmental Hub, is what caused Sulfcrete to engage with her and become a partner.

The U.S. Ready Mixed Association takes its lead from the MIT Environmental Hub as to the new products it will get behind as it argues to the world with all of this climate change you need to build with concrete. Because we're not all that pollutive anymore, we're engaging the MIT Environmental Hub for alternatives.

I say all that to say that UECD, its role with respect to all of this lending activity, is not to become a lender itself, but to become the fiduciary of community benefit plans, which these companies that locate in Erie, Erie itself being in the low-income census tract, is eligible for government-backed funding so long as those projects that are funded that way meet the community benefits standards, which is typically 51% of the employment. But with respect to Sulfcrete, it's a commercialization plan. So Sulfcrete is not going to build and operate all over the world. It's going to commercialize with local partners and regional partners. With respect to that, the tentative agreement that was drafted when they came to the symposium was to potentially build a plant at Savacchio Park to hire at least 51% from the community, and to commit 10% of its licensing revenue to UECD so that additional projects that have a robust community benefit plan can be developed at Savacchio Opportunity Park.

Our next steps are to secure a local industrial partner and prepare a development plan for our funding partners.

The last bit there is that we have recently been dealing with DevelopErie in their filings in court and the fact that a Savacchio business partner is now subject to a bankruptcy trustee. The good news is that UECD had an interest in the property and the Housing Authority had an interest. So the Housing Authority and UECD have partnered with respect to putting together a plan that will be acceptable to the trustee

and particularly to Citizen's Bank, which is the largest creditor. We've engaged the community outreach executives at Citizen's Bank, both here in Erie, in Pittsburgh, and the leader for the state. We think we will have some support there. Folks are looking forward to the development things.

Peters: So what's left at the Savacchio Park? What's in the estate at this point? Is it vacant lots?

Giles: Yes, primarily.

Horton: There is one business there.

Peters: But all of the vacant lots are part of the bankruptcy estate and subject to sale under 721?

Giles: Correct.

Peters: What's the timeframe on that, because I was at the hearing last week, and Judge Aggresti certainly made it clear that he expected expediency from the trustee in terms of disposing of assets, since it's a liquidation? And, will you have your funding in place to acquire those parcels? The judge said on the record, "Look, this is a maximum three months. If you wanted 11, you should have filed an 11. It's a seven, and we're going to follow Section 721, and we're going to move this along." So I'm just curious if you guys...

Giles: We're poised to be competitive within that time.

Made in Erie Campaign. This is a mobile app that is available on iPhone, Android, and it has a back end for the desktop. You're looking at one of the pages here where projects are prioritized. But, essentially, what this effort is reflects our new partnership with CEBCA. That's the gentleman, Chris Reim, who's from Erie, and who's managing the National Association of Nonprofit Venture Capital Firms. He suggested to UECD, "Look, I travel the country all the time as a venture capitalist, a faculty member of the National Science Foundation, and of Columbia University. These start-up tech companies that have their minimal viable product already financed but need the first commercial production of their product, are always looking to me for direction. And they usually make knee-jerk decisions. They don't get a sufficient partner, or long-term partner. I think Erie could really position itself and promote itself as a contract manufacturing hub where these new products that require some component assembly – plastic, metal, and electronic – could really get the bang for their buck in Erie. But I need some help. I need a nonprofit partner that can help me organize Erie in that way."

So we took our mobile application here, and I've given some information to Diane to provide to you so that you can download the mobile app and see for yourself after the board meeting. But, essentially, what it does is allows UECD and Chris Reim when they are out in the field to promote to these companies, "Hey, download the Erie Manufacturing Exchange, open the form, and give us a description of your product, hit submit, and we'll get back to you with a quote." And then on the back end here, UECD is engaged, Bill Fogelbach, and others through Chris Reim, and the Erie Manufacturing Association, to then be able to give the local manufacturers an opportunity to respond to those bids. If there is a contract, then UECD receives a small referral fee for the contract.

So what we've done with our platform here – I don't have time to do a demo – is we've uploaded the Erie Manufacturers, and we've put a lot of Chris' businesses and business directory, so we have a working exchange now. I won't get into all the bells and whistles. I gave Perry a demo before the board meeting. What we'd like to do is launch

this campaign in September with Chris Reim, who's also one of our interested funding sources with the Sulcrete project. We're doing everything that we can to fortify our local partners and bring some outside resources to the table.

Wood: One of your go-to guys is William Fogelbach. Could you tell everybody who that is?

Giles: So, William Fogelbach is at this point a consultant to Erie Manufacturers. I believe that he had a great career with Plastikos before becoming a rep. He's quasi-retired. He lives in Florida half of the year now and in Erie the other half. So he's been suggesting to the folks here that with some marketing and promotional support, they can sell better. So, Chris Reim, knowing of Bill, when he sees opportunities in the field, he refers them to Bill. So, what he said to UECDC was, "We could put some structure around this and perhaps Bill could consult with you to make your application tool more reticent with the local Erie manufacturers. Put it in their laps.

Wood: So long story short, we can use funders that are funding companies all over the world to get Erie manufacturers into their supply chain?

Giles: That's correct. And Chris Reim is all over the world now at symposiums, at conferences, and he's invited us to join that and create a Made in Erie campaign. So, at the end of it, we have a small request, which, for us, is an unusual request, to continue support through the end of the year. By the end of the year we will have closure with Savacchio Business Park, and we'll have closure with Sulcrete, because the symposium will have occurred. And so we think, by the end of the year, we will be in a position where projects will be self-sustaining, and we wouldn't need this sort of due diligence support from your organization. We thank you for it. We've made a lot of progress with it so far, and we think we have some short targets in the making.

- d. John Buchna, Bike Share. Wachter: Mr. Chairman, before Mr. Buchna begins, I'd like to note that I'm the former chair of the board of the Erie Downtown Partnership and am their current solicitor, although I have no idea what he's here to talk about.

Buchna: As this is loading I'll begin with just a brief...our organization, Erie Downtown Partnership, is in its 12th year. We are a nonprofit organization assisting the City of Erie and the community as a whole in its revitalization effort for downtown Erie. We have a very great presentation on a Bike Share program that I would like to introduce you to this morning. What I passed out to you is the executive summary of our downtown master plan. As the first few slides of this as it's getting ready to open, the master plan was a four-year process in our organization embarked upon to understand how we could move the downtown forward. The current plan that we were under was in excess of ten years old, so we've taken it upon ourselves to develop a new plan for downtown, the challenge being, is we don't own anything. Our organization is unlike others that typically build a build plan and work on a build plan. We were developing and have developed a recommendation plan.

That master plan, through the process, we were engaged in hundreds of meeting with key partners and organizations throughout the community to understand what their role and their goals were in their developing in their plan. As we developed that plan we also did many, many online surveys, and those online surveys were by the public. And, understandably, the public, it's their downtown. We want them using their downtown. So, as the plan was developed, we launched it at our May annual spring meeting of which we developed an acronym that we asked the community to CARE – care about revitalizing Erie. If you care, we want you to be involved. It's your downtown. This being

a master recommendation plan is something that we need the community's assistance in implementing.

We developed a site called ICareForErie.com. And as we scroll through this site, one of the first steps was to have the community first off understand the plan itself, because this plan connects with the city's comp plan, connects with Emerge 2040's plan. If you look at Emerge 2040, those of you I know have been engaged, the best way to look at it is that Emerge 2040 plans at the 20,000-foot level, the city's comp plan is at a 10,000-foot level, and then ours is at a 5,000-foot level focusing on downtown. In that, we want the people to understand that there are those connections. There has been extreme collaboration and communication, and there's no competition in these plans.

In this site we've asked them to say, please feel free to go here. The executive summary that I passed out to you is located on this site that you can view or download or the full plan – the full 150-page master plan. Again, viewers can flip through it or choose to download it. But we ultimately wanted them to understand, and I could again talk more about this plan at a later time, but the role of our organization, we, the Erie Downtown Partnership being a bridge, a collaborator, a communicator with other organizations so that this plan becomes implementable.

Straight up, our community in some of the local clubs and bars, there are tip boards out there that some of the people are taking bets on as to how long these plans are going to last before they're tabled. And I want to prove every one of them wrong. Ideally, it is our mission and here we said, "This is our role," and then we asked the community, "What is your role?" And in your role, we want you to be engaged. We want you to step up because that plan had six major goals, the very first of which was to take the downtown and subdivide it into four separate districts – north to south, Bayfront District, that goes Bay to 4th, 4th to 8th is Perry Square District, 8th to 12th Street is Renaissance District, and 12th to 14th is Union Square District. It's noted in that copy that you have there.

We want the public to step up and be part of those districts, to be champions and leaders. With that and throughout those meetings, and through countless online surveys, we understood that there are very many amenities that the organization and the community wanted – one of which was bicycling. With these recommendations, we then met with last week, ourselves, the city, and DCED, and said, "What are the opportunities?" DCED has told us directly that we are one the radar from Harrisburg define as, "on the radar." Well, because Erie has done some good extensive planning, the governor and his team are really looking to Erie to help this implementation of their plans, which again includes our plan, the city's plan, and Emerge 2040's plan.

There are two upcoming grants, one of which is due at the end of June and one of which is due at the end of July. The first of which is a greenways trails grant which typically involves the potential beautification of the bay front and some others that help connect the downtown to other assets within the community. The second one of which is a multi-modal grant, which is one of which in the process of our downtown plan, it talks about the finalization of complete streets. We have implemented a downtown master plan that includes a streetscape plan. Some of that streetscape plan from 12th to 14th was implemented. We need to continue it further to the Bayfront along State Street going north. Ideally complete streets that include the addition of bike lanes. Bike lanes not only add to some safety but ultimately add to the amenities that the community at large is looking for. Not every street, but certain key east-west, north-south routes. Our

philosophy here is that we want to get ahead of this. So in looking at the multi-modal grant opportunity we have, what we wanted to say in that grant is that we are literally looking at the transportation aspect. In this case, something different with bicycling being the focus. Understandably, chicken-egg, which comes first, you need the lanes, you need the amenities. This community is ready for a bike share program.

Let me go to another website. If we could go to Zagster.com. Through the past three years, we have been engaged, we received a grant that enabled us to purchase bike racks for the downtown community. In that process we learned that there are many other needs that bicyclists have, and those racks really opened our eyes to the opportunities. What else should the downtown and/or the community as a whole include? And that spawned into storage space stations, bike repair stations, and ultimately a bike share program.

Peters: Speaking of the storage, and I don't want to get you too off track here, are Ray Massey and the Parking Authority engaged in this?

Buchna: Absolutely. 100%. One of the slides I had prepared was through the last three years we have reached out and sat with the county, and you know as well as I, County Executive Dahlkemper is very much a supporter of bike lanes. The city, the county, the parking authority, the Erie events, the port authority, and primarily PennDot. PennDot is pushing for bike share that literally uses their current access park and ride. For instance, the Lincoln, on 12th and Greengarden, you park, you ride, get into a bike share, etc. The key element of a bike share is a basic operation where you walk up and there's a station that has bikes. In this case, five. Let's look at it, and again I had a graph, and I embarrassingly apologize, but there is a station that a user would walk up to and basically rent a bike, use the bike, and return it, and get charged.

We also met with Gannon University. Three years ago they started this program. We've done two feasibility studies through their student organization that have said if we develop this share program, what are the costs, how are you going to manage it, where do you utilize it? In doing it as a community, you're in excess of \$250,000. So, therefore, it just sort of sat here. Erie Insurance is looking at doing it for their own organization as is UPMC and others in the downtown and outside the community. Because of the cost we had to scratch our heads and say, "What is a different solution?"

There's an organization called Zagster that has implemented this in many other communities across the United States. If we scroll down, we can get a list of those. But, ideally, this is a turn-key organization that provides...they come to the community, they bring in all the hardware, software, maintenance, etc. Their only requirement is that a nonprofit organization, such as ours, be a contact as well as a contact to the community, as well as back to their organization. But it's turn-key. It's simple, complete. The sharing of technology – it's very technology driven. And in today's day and age, many folk have, of course, a cell phone. Ideally, current programs run off of a smart phone. The question became that we dealt with Gannon University is, "How does this serve those that don't have a smart phone? How does it serve those that don't have a credit card?" There are different programs, and we've been engaged with Zagster for approximately the last month. I have another conference call set up with them on Monday. Ideally they can alter their program so that it fits our community. Because ideally you have your resident and you have your tourist opportunity. The neat thing about a bike share program is they not only take care of the hardware, they take care of all the maintenance, the rider support, network management, meaning, what we looked with, and this is something, Chuck, you

asked about Ray Massey. Years ago we sat there and thought, "Who's going to own it?" But ideally, who's going to manage it? How do you take these bikes and reset them every morning? You take them here and put them there, they've got to be reset. All the hardware/software in terms of trucks, people, etc. It definitely was something that just came with a higher cost. This is all managed, including insurance.

Ideally they have riding partners on many large campuses of universities, many corporate, such as General Motors. And, again, this is a site that we can leave with you. But in discussions with them, other than the turn-key is they go into communities where our program could be a seasonal one. With our weather that we have here being a north, them being in the South, and having northern, it would be 6 months here, and when the southern communities and western communities need it, they would take the equipment and take it there – so the demand. As the snow birds go south, so to speak, and others, this equipment could be used there. It's ideally always maintained by them.

Peters: And so this particular company, just so I'm sure I understand it, is because you are most interested in them because they provide everything for free?

Buchna: No. One last question. I was just getting to that, so it being a turn-key, they've shared with us last week they went into two different communities just recently and they based 25 bikes with a five share – five bikes per station – starts at \$25,000 on an annual basis. A good share program could get up to an excess of \$60,000, and this is on an annual basis. Derek's(?) projections have shown in year three they become sustainable, that's based upon ridership. Typically, there's a membership involved of \$7-\$15. Then you're charged per ride – it can be done per mile, per zone, per hour – again, some details to be worked out. But ideally a base program is what we're here in front of the ECGRA board saying, "We want to start a pilot bike share program." I've passed out a map, a handout of one of the plates, as we call it, from the downtown master plan. You'll see there that's identified which of the five primary locations in downtown that we would look to start. And I want to finish in what few minutes I have left is a very short video that they have here that they've done for the city of Cleveland. There's an excess of almost 800 bikes in communities around the world.

Wachter: So, John, if they think that it will be self-sustainable in three years, does that mean that the community only has to pay for the first three, and then after that...

Buchna: It's our belief at this point, is this funded seed money would be matched with some private sector to get us to a first year, work out the details. But then as these partners step up, we want to get to a five-share, six-share station program, more funders come on. We've not even talked anywhere outside Behrend, Mercyhurst, Presque Isle State Park. The key to a share program is having a big loop, a big route.

Wachter: So your request from the Gaming Authority is a one-time in order to...

Buchna: At this point. To launch the pilot at this time. To launch the pilot, put the base down, so that each year we can build more stations, more of the route.

Peters: I'd be very curious to see, and the video, John, maybe we don't watch because we're running out of time...

Wachter: John, would it be all right if they could email the video link out to everybody.

Peters: My question, John, is to fund something like this, I would typically want to see, okay, Zagster is this kind of program and it costs this much; Social Bikes is this kind of program and costs this much; XYZ company is this kind of program, etc., so that we can compare and understand. I think I heard you say that with this one we don't own the

equipment; we basically are renting a service. It's a service just like any other. Does that mean that the other programs, you're buying the equipment, and that's where you came up with \$250,000 – you're buying the racks, you're buying the smart bikes? And then are you buying smart bikes or smart racks? I understand there's all kinds of variance to this, but I think you must have that research, and I think it would be helpful to understand how you landed on Zagster.

Buchna: Correct. Good point that you bring up, Chuck. The feasibility studies have done the model where we would own everything, and that's in excess of \$250,000. This particular opportunity is one of which is dealing with a lease, we're leasing the equipment. We have those financials that we could come back. Today, I was just in one of those, I don't want to say, "short notice," but it was one of those just putting together some of those initial not knowing where we want to go next. I apologize if I missed some information.

Peters: And then the other thing that I'm curious about is Bike Erie's position on whether investing in a share program versus, and maybe they're completely distinct issues, but the infrastructure in Erie is atrocious. You alluded to the fact of complete streets, and putting some roads on diets, and creating some bicycle lanes. I guess, is it completely different funding sources to get the infrastructure, because I think you have to have a cycling community here, right now, that uses their bikes for transportation, especially in the inner-city – you see it all the time – are they mutually exclusive? Is there also a plan, a real plan beyond just this, to start getting the funding for the infrastructure – you mentioned two grants that are coming up...?

Buchna: Bike Erie was with us through this process. They were with us in the feasibility study. They worked with us through the whole process. And we're at that point where we're saying, and we've even set in front of the Community Foundation. Once they said when is a more formal plan in terms of the downtown master plan, because, again, the infrastructure is important. Ideally the timing of us putting in a grant, part of the conditions they are looking for are what other types of transportation are you going to use to help leverage and utilize the multi-modal funds? And that grant, being due in July. And it's out intent to write...

Peters: So this, theoretically, would help that, because you'd say, "Well, we've already got this bike share. Now we need..."

Buchna: When we had bike share from Pittsburgh up, we met with their general manager, Bart Urovsky, took Bart around, and he said, "You have enough of an infrastructure now to launch your base program." Ideally, more would help from the state's viewpoint, but the community from a rider's perspective is ready. It's literally leveraging the plans to get the infrastructure ready.

Peters: And then my next question would be, does the city and the streets department understand? I happened to ride across East 6th Street the other day from my home in Harborcreek and out to the Peninsula. And you look at the westside lane on 6th Street versus the eastside lane, which is like this wide. So, does the city understand that there are things they can do, right off the bat, or do they not?

Buchna: They do.

Peters: I can tell you in Harborcreek Township they don't.

Buchna: This is why we are saying that we have to start with a pilot program. We have a base infrastructure, and we want to get a base program using this to leverage

that part of the video that's that message in there from some officials in Cleveland. It's leveraging and linking people to assets.

Peters: Who in the city understands that they are part of this and they are already spending money fixing streets, painting them, striping them? It's an incremental cost difference, really, until their answer is, "We have to do traffic studies to understand if we can really shrink down Peach Street, or whatever..."

Buchna: Street Safe Master Plan was adopted by the city when it was completed in excess of four years ago that includes key north, south, east, west, not every street, but key, one of which is State Street. The plan, it's in our master plan, we just need to complete that street. There is plenty enough room. To your point, the city has understood, now, again, what do we need to do to leverage is to move this thing forward. We think the share program could be just this, it forces it.

Peters: Other northern cities, Buffalo is using Social Bike, or they were, which is Karen Respecki's son.

Buchna: We've approached Karen Respecki's son. He has a GPS-led that you know where the bike is at all times. That's in one of our feasibility studies. We've already made contact. He's been in. We've talked to him.

Peters: I'm worried about the financials of Buffalo, not so much the technology. Because that's probably the most similar city. Pittsburgh gets a longer cycling season. Cleveland gets a longer cycling season.

Buchna: We did six different cities. Every city we looked at in the feasibility had weather similar to ours – lots of snow, frigid temperatures – basically a six-month program. We have again those numbers from a feasibility standpoint that said it's very expensive to do it on your own, but, perhaps, do a turn-key.

COMMITTEE REPORTS

- a. Treasurer's Report: Peters: Obviously we're still very much in the beginning of our fiscal year. I don't think there is anything in it out of the ordinary. It appears as though our audit is on track to be successful with those few changes that we talked about. As far as where we're trending percentage and budget wise at this point in the year, you can see in the reports that we're fine and on target. A reminder, maybe just for Jim, because I don't think you were in our last meeting, we did change the Schedule of Grant Reserve document just to kind of break things out a little easier. So, if there is any question about how we did that, let me, Perry, or Diane know. But I think that it really helps to make it easy to understand that there's money that sits in a bank account that while it looks as though we have this big balance, it's already committed other places. So, that's a difference from the last time you might have seen it, Jim.

As usual, we have the Check Detail Report, which you can all look at and see exactly where we've written checks. The other thing that's come up before, and I mention it almost every meeting, is that when it comes to credit card, which, of course now, like many organizations, we use the credit card – as the treasurer, I review that making sure that everything appears in order. If anyone would ever want to see that, they are welcome to that data.

Mr. Yapple makes a motion to accept the treasurer's report. Mr. Barney seconds the motion. Motion carries 6-0.

- b. Regional Assets Committee Report: Wood: The Regional Assets Committee hasn't met, primarily because we've been focusing our efforts on Youth & Education, as well as

Strategic Planning. However, the current grant cycle that we just completed is Multi-Municipal Collaboration. In July we'll begin, according to the Grants Management Plan, the opening of Community Assets funding, which will then be due in August, and awarded in September. So that's the next cycle we're looking at coming up with. And, of course, the final cycle of the year is Mission Main Street funding.

- c. Strategic Planning Committee: Paris: We had a meeting last week. A couple of things we talked about were the possibility of hiring a lobbyist, and the STEM program, which we'll hopefully be funding. Do you want to have any discussion about either of those topics?

Sample: The STEM program is set up later on the agenda.

Paris: I know when we were talking about hiring the lobbyist, the discussion went back and forth. Jim wasn't there, and I want to see if anyone else has an opinion on it.

Peters: I certainly don't want to speak for Mr. Bagnoni when he's not here. He made some really good points about if we were to go forward with a government relations firm that it would be wise for us to have some very specific goals in mind and focus. I reflected on those comments since that meeting, and I think that David really articulated those thoughts in a good way, and they are probably something that we should take seriously if we're going to proceed.

Yaple: And with that in mind, I'm a big proponent of it only because with another organization that I am affiliated with, we seem to get a little bit better results – I'm talking of PRLA which is Restaurant and Lodging Association. There are a lot of things happening in Harrisburg and/or Washington that we're unaware of. And we need to be in contact – I agree with David's itinerary – we ought to have a focus. But we've got to look for this money because there are monies out there that we can bring back to Erie, I hope, and maybe we need a pinpoint focus, but we do need to look into this. Other communities are doing it.

Peters: One of the examples that I think we could put on our list of specifics – let's pretend that we were going to go forward with Buchna's thing. He mentioned two grants that they're going after, and they are certainly going after those things on their own, as they should. Would it leverage our dollars by being able to have our government relations consultant help make sure that we are successful and that our partners – Erie Downtown, or UECDC, or whoever it is – could we leverage our dollars just by having this resource to help? And maybe what we ought to do is, as a start to the specifics, look at those programs that we've funded that may be actively pursuing state and/or federal grant programs.

Sample: There's a lot of stuff in Harrisburg and a lot of places, and there are grants that we can get that we don't even know about. And if we can co-mingle or put it together with something or enhance another grant, I think there are a lot of opportunities out there that we just don't see. And with a good lobbyist, and, obviously, a focused effect, I think we're foolish not to at least – you know, it's one of those, "Can we afford to do it?" Yes. "Can we afford not to do it?" Absolutely not.

Paris: Perry shared a story before most everybody got here about Flo down in Harrisburg. Perry, could you repeat some of what you said?

Wood: I think the spirit of what I shared was the idea that we have a representative who is very connected with what is going on with the house of representatives. And we may not know that back here in Erie. But, Flo Fabrizio is very connected and, potentially, an under-utilized asset to help move this region forward. You can't really understand that until you've been to Harrisburg and see how seamlessly he

works on behalf of Erie and things that are important to us. I just spent the last 2-1/2 days in Harrisburg, and that was one of my greatest take-aways – that we have this under-utilized asset there.

Paris: So what I see is that you have people down there in Harrisburg that we don't utilize. So having a lobbyist down there...

Breneman: If I could, I was in Harrisburg too, and while I was down there I actually talked to my organization's lobbyist that we have down there. The force multiplier of having somebody with us experienced and expertise, while, I might be able to draft a letter that goes to the legislators. I'm an elected official; I know how to talk the talk. But they have relationships beyond that. They provide focus. When they talk to the legislators, when they talk to department officials, when they talk to other organizations – be it companies that are contracted with the state, be it with other entities that work at the state level – they already have those connections, and it would take forever to dig and try to find somebody, and you would still be lucky to have it. It's not just that they have the additional time to do it. They really do have these connections already established, and when they make a phone call, people pick up. And when they set something up, or when they do something – when they go to even our own state legislators, they get a quick turn around on some of these things.

Wachter: If I could add to that. I'm up to my eyeballs in certain lobbying activities. I was recently excoriated by various members of leadership in one of the legislative bodies for recommending to a school district that is going bankrupt that they hire a lobbyist, because it's a waste of money. Yet, they were all aware of our plight; they already had copies of our presentation; they all understood the numbers; and I was sitting in their office with my lobbyist sitting directly behind me. So, none of those things would have occurred if they had not been working for the last six months to educate the legislators on the actual problems. We thought that was quite humorous, actually, on the way out of the door.

Peters: I think that like the school district having someone like that to help them, it helps the whole community. I think us having someone, it's not about ECGRA, it's about leveraging our dollars and helping all of our partner organizations, because most of them don't have the ability to go forward with this. I think it's an appropriate course of action.

Wachter: I do suggest that you take a school of search for the Pennsylvania Lobbyist director. There is a search function in there where you can search for lobbyists. If you search for "county", there's going to be a big long list of counties which does not include Erie. If you search for "city," there's going to be a big long list of cities that does not include Erie. If you just do a search for "Erie," you're going to get Erie Homes for Children and Adults, which I've recently had them hire the Ridge Group; Erie Insurance, Erie Renewable Energy, Erie Zoo, Erie's Public Schools, the railroad, DevelopErie, Economic Development Corporation of Erie, and then after that you get into some corporate issues. You're very under-represented, folks.

Paris: What steps do we need to take to move this forward?

Wood: Tim and I have begun work on an RFP. If you are interested in further developing it, I gave out a draft copy of that RFP at the last committee meetings. So, we'll make sure that everybody has it in their inbox by the end of today. That RFP was very preliminary. I felt we definitely needed to have a public discussion on it, and that's why we are talking about it here today. But that RFP, to Mr. Bagnoni's point, needs to be

more focused on exactly what it is that we're trying to accomplish, who we're trying to help, and how we're going to proceed in going after the funds. Tim was very helpful on the idea of how to structure qualifications of the entity and what it is that we're looking for. And I think we all agree we need a bi-partisan agency that understands Erie, its market, and what it can do for us, and what we're trying to accomplish.

Peters: I would hope we'd continue with fine-tuning that. Once we see that, then I think we take action to put the RFP out and solicit.

Paris: Is that something that could be done by the next meeting?

Wood: Yes. Certainly I can continue to gather feedback. We'll have at least one committee meeting between now and our July board meeting. We'll solicit feedback at that time as well. You can, of course, contact me directly, and if we do want to proceed with this, we can vote to issue the RFP at the July board meeting. Tim, does that sound right from a timeline standpoint?

Wachter: You're not going to be able to affect this budget cycle. You're not losing anything by taking actions in July and August.

Paris: What about Asbury Woods? Where do you want to fit that in?

Wood: You want to have a discussion about Asbury Woods, right?

Paris: Yes, but where do you want me to talk about it?

Wood: We didn't technically discuss it at Strategic Planning. Do you want to bring it up under Old Business?

Paris: Sure.

Peters: Mr. Chairman, I have to leave, but I'd like to make a couple of comments before I do. If we talk about Asbury Woods, I think it should be in the context of what we've talked about two years ago, which was a plan for parks. Again, I think Strategic Planning also did talk about a framework for pilot programs so that we're more in line with the ruling. We've now, I suspect, that we're going to hear a second topic today where it's like, "Hey, we want to do this. Let's throw money at it." I think that we should be extremely cautious about how we just come up with ideas and throw money after them.

Wood: Mr. Peters is, of course, referring to the fact that at Strategic Planning we handed out a draft set of guidelines for the pilot concept for the board's recommendation. What you saw here today, of course, were two new ideas for pilot projects that are consistent with our Youth & Education theme, but also our Neighborhood Revitalization theme, which is a complex, multi-faceted idea that we don't really have a grasp on yet. Which is why we're exploring these pilot projects and learning, brick by brick, whether or not we can create some type of program in its place. You're going to see on the agenda today, of course, another thing that was discussed in Youth & Education which was STEMWORKS – the project with Fairview. We've seen the presentation; we've properly vetted the pilot proposal; the committee recommended we put it into resolution form. We're at that stage. The committee also reviewed Multi-Municipal Collaboration – a history of the program; how we got to where we are, and the four applications we've received today. The committee also recommended that we move forward with funding those four proposals based upon staff vetting and discussion. So you're going to see those two resolutions today, but going back to pilot projects, I just want to reaffirm – I talked about this last board meeting – we are building our case of our understanding of neighborhood revitalization and how we effect the youth and education of our community.

Peters: Yes, all of that is correct, and I take no issue with any of that. What I believe the Strategic Planning Committee is for is to thoroughly vet things like a parks program, or a loan pool for operating shortfalls of various entities. I think that we should utilize those venues that are already in place to thoroughly discuss. It's very difficult in a two-hour meeting to go over this much data and be effective in our understanding of it. As I depart, I would just strongly encourage my colleagues to use the venues we already have in place and make sure we vet these things very carefully. Sorry for the disruption. And, by the way, I have no issues with the two resolutions – not that it matters because I'm leaving and won't be here to vote.

- d. Update from County Council: Breneman: I don't have a report. But on the Asbury thing, you're talking about two taxing bodies and a nonprofit minimum. That's inter-municipal collaboration right there. That should have happened. Strategies should have taken place beforehand. Maybe also think about it as not necessarily from the MMC Grant but as a fine example that long-term thinking between governmental bodies and nonprofits and other sectors of the community is happening.
- e. Update from the County Executive: Lee: Just want to go over some of the key highlights for the Summer JAM program. As you know, the program is in full effect as far as recruiting companies and students. We're looking the third week of June to do orientation, with the job aspects starting the fourth week of June and the first week of July. And it's going to be a total of seven weeks, and should end approximately the middle of August. All the jobs should be wrapped up. We're looking at about 160 students participating this year between the ages of 16 and 21. We did a major outreach to try and go outside the City of Erie, because, in the past, and you know it's a county program, we wanted to get more representation outside of the city. Last year it was 69% in the city, 31% outside the City of Erie. This year it's going to be probably about the same, to be honest with you. It's going to take some time, and a lot of that has to do with recruiting more employers outside of the City of Erie. GECAC is doing a really good job down in the Corry and Union City area. We have 10 employers involved in that area that will be participating this year, but West County and East County, we still need to do a little more work.

As far as from the funding aspect, of course the county has invested \$150,000; ECGRA has invested \$150,000; Erie Community Foundation - \$60,000; Erie Insurance, their contribution investment will be about \$23,000. We have Gannon University at about \$3,000 at this point, and National Fuel – they're putting in \$1,000.

We're excited about the program. WIA, which works with the Workforce Investment Board, they have some money – there are some stipulations with that money. We're working with Janet Anderson. That money has to go directly to GECAC. What that would enable us to do would be to put some more students through the program, if they can meet those criteria. We will be getting feedback from Janet Anderson's Group, Performance for Partners, very soon here to find out what that amount is and what kind of impact it could possibly play.

We're excited about the program. This is our third year doing it, the second full year. The first year, as you know, was a pilot. We just hope to continue to grow it.

Wood: I will be brief. You're going to see in your executive director's report some of the great community coverage that has taken place as a result of Tech After Hours, which is one of the largest projects that we funded in 2015. It even went into national news what we had done there. Also, the Maker Movement and Maker Equipment projects got some great press, and all of the school districts of Erie County now have their maker equipment in hand. We also had a successful launch with Bridgeway Capital on the Erie Growth Fund. If you remember, we put a \$1,000,000 mission related investment into that program, which they leveraged with another \$4,000,000 from outside the community - \$2,000,000 of which was Goldman Sachs, \$1,000,000 from PNC. We brought wealth into the community with our leverage. The launch of the Erie Downtown Master Plan also took place, which we were a key funder of. And, of course, some of our Mission Main Street programs came to fruition as well. We did hold a Youth & Education Committee meeting June 1 to discuss the STEMWORKS proposal - I'll enter that into record, the notes from that as well as from the Strategic Planning Committee meeting on June 1 to discuss Multi-Municipal Collaboration Grants, some draft documents from the audit process, a government relations RFP. We discussed Shaping Tomorrow. We distributed pilot project guidelines, and there was a quick update on Ignite Erie.

A couple of important dates for you. June 14, this should be in everyone's calendar, of course, is the Shaping Tomorrow meeting. It takes place from noon to 3:00 p.m. at the Manufacturer and Business Association. That is for the seven key voting board members to attend. There is a binder of the grants that will be discussed at that time. There are a couple of ways that you can handle this as a board member. You can review the grant binder and bring your thoughts with you to the June 14 meeting, or you can review the grant binder, go online with the login and password that we gave you - we're giving you access to The Community Foundation's online process - and you can evaluate and score these applications online if you have time. There are twenty-some applications in here. This is one of the largest rounds that they've ever received. There is potentially \$5,000,000 on the table to fund these - \$4,000,000 from the Hagen Philanthropy Fund, approximately \$500,000 from The Erie Community Foundation, and approximately \$500,000 from us. That's a far cry from the \$1,000,000 we invested last year in four transformational programs. Now we have a process with up to \$5,000,000 available because of the Hagen Philanthropy Transformational Fund. This is probably the most important thing that we've done to date as an organization. I think the mission related investments are right up there with this. But the amount that can be invested and the impressiveness of some of the projects in this portfolio are a new milestone for this community - not just for us as a funder, but for this community. If you have any questions about any of these, I'd be more than happy to discuss them with you, but some of these projects are transformational. They really have the ability to create long-term changes in the community.

Another thing that I've done is I've given you this book, *The Smartest Places on Earth*. It's about how rustbelt cities are leading revitalization post Great Recession. This is heavily tied to the research that you know I've done on advanced industries in our community, and how advanced industries are supported by the private sector through industry+university relationships, which, of course, is a major focus of our Ignite Erie program. I wish I would have had this book when we were designing that program. Unfortunately, it just came out about a month ago. But I want to give you this book as a kind of a debrief to where I think many of us are headed with Ignite Erie. I've also distributed another 30 copies to the community to decision makers, leaders, and, of course, members of the Ignite Erie program.

The second date is June 15. I've asked the Strategic Planning Committee to meet with a gentleman from the Erect Fund. The Erect Fund is a venture capital equity fund out of

Pittsburgh which the majority of its contributions come from pension funds from the construction trades. What they've done is they've pooled their money together to help get development projects around the commonwealth up and running. They finance these projects, and, of course, they are experts in redevelopment capital assistance funds. So they help get these projects up and running. I don't know what ECGRA's role could be with this group. There may not be one, but I want to explore it. I want to talk to this gentleman – his name is Tad Emery – he's the principle. We're going to be talking with him about the role we could play, perhaps, in participating in their fund or in participating in development projects in Erie.

Barney: You said the 15th. Time and where?

Wood: I only distributed that to the Strategic Planning Committee, but if you'd like to attend, we can certainly do that. I'll follow up with you on the details of that.

The third date is June 16. Bridgeway Capital is holding an event at Erie Ale Works. That, of course, is one of the projects that has been funded – the Erie Ale Works expansion with the Erie Growth Fund. So, that's some of our funds at work there – one of the first projects. That is from 5:30 p.m. to 8:30 p.m. at Erie Ale Works, 416 West 12th Street. If any of you are interested in attending, please let me know, and I will RSVP you on behalf of ECGRA.

SOLICITOR'S REPORT

No report.

OLD BUSINESS

12-month extension request for the Erie Downtown Partnership 2015 Mission Main Street Grant. Wood: This is really perfunctory. Staff has the ability in our grant guidelines to extend any grant by six months. When it goes beyond six months, I feel it's important to bring it back to the board to let the board know about it. But, for the most part, it's pretty non-controversial. It's a timing issue. They're asking for their grant to be extended 12 months, rather than six.

Sample: If it's a timing issue, and we're always aware of that. If we thought it was important enough in the beginning, it's probably still important enough.

Mr. Paris makes a motion to approve the extension request. Mr. Barney seconds the motion. Motion carries 5-0.

NEW BUSINESS

- a. Resolution No. 13, 2016 – Resolution to adopt the Fairview School District STEMWORKS pilot project. Mr. Yapple makes a motion to adopt the resolution. Mr. Domino seconds the motion. Motion carries 5-0.
- b. Resolution No. 14, 2016 – Resolution to enter into agreements with the 2016-17 Multi-Municipal Collaboration Grants recipients. Mr. Paris makes a motion to approve the resolution. Mr. Yapple seconds the motion. Motion carries 5-0.

ADJOURNMENT

Mr. Yapple moves to adjourn.



Erie County Gaming Revenue Authority
Profit & Loss
June 2016

	<u>June</u>	<u>YTD</u>	<u>Budget YTD</u>	<u>2016-17 Budget</u>
Ordinary Income/Expense				
Income				
44800 · Gaming Revenue		271,003.85		
46400 · Other Types of Income				
46410 · Interest Income - Savings	3,619.23	11,459.17		
46420 · Interest Income - EDF #1		3,780.00		
46421 · Interest Income - EDF #2		6,048.00		
46422 · Interest Income - BWC	7,583.33	14,250.00		
46429 · Endowment Income - Lead Assets		367,669.00		
Total Income	<u>11,202.56</u>	<u>674,210.02</u>		
Expense				
62100 · Contracted Services	6,224.50	16,659.95	21,775.00	87,100.00
62800 · Facilities & Equipment	3,039.07	4,874.93	8,100.00	32,400.00
65000 · Office Administration	8,789.30	12,996.30	10,700.00	42,800.00
65100 · Other Types of Expenses	64,449.15	72,897.82	66,000.00	264,000.00
66000 · Payroll Expenses	14,550.60	46,970.53	52,500.00	210,000.00
Total Expense	<u>97,052.62</u>	<u>154,399.53</u>	<u>159,075.00</u>	<u>636,300.00</u>
Net Ordinary Income	(85,850.06)	519,810.49		
Other Income/Expense				
70000 · Grants / Settlements				
70020 · Lead Assets Endowment		1,000,000.00		
70040 · Lead Assets		646,812.00		
70050 · Municipal Settlements		67,750.98		
70060 · Human Services		38,000.00		
70070 · Special Events		167,108.00		
70090 · Multi-Municipal Collaboration	166,100.00	166,100.00		
70160 · The Challenge		10,960.00		
Total 70000 · Grants / Settlements	<u>166,100.00</u>	<u>2,096,730.98</u>		
Net Other Income	(166,100.00)	(2,096,730.98)		
Net Income	<u>(251,950.06)</u>	<u>(1,576,920.49)</u>		



Erie County Gaming Revenue Authority
Balance Sheet
As of June 30, 2016

	June
ASSETS	
Current Assets	
Checking/Savings	
10000 · ErieBank - Checking	24,471.95
10100 · ErieBank - Savings	
10100 · Uncommitted Funds	6,236,463.28
10101 · Committed Funds	4,953,493.00
10102 · Restricted Funds	271,003.85
Total 10100 · ErieBank - Savings	11,460,960.13
Total Checking/Savings	11,485,432.08
Other Current Assets	
12000 · Notes Receivable	
12001 · Note Receivable - EDF #1	500,000.00
12002 · Note Receivable - EDF #2	800,000.00
12003 · Note Receivable - CIBA	50,000.00
12004 · Note Receivable - BWC	1,000,000.00
Total 12000 · Notes Receivable	2,350,000.00
14500 · Prepaid Insurance	5,530.00
Total Other Current Assets	2,355,530.00
Total Current Assets	13,840,962.08
TOTAL ASSETS	13,840,962.08
LIABILITIES & EQUITY	
Equity	
32000 · Unrestricted Net Assets	15,418,672.57
Net Income	(1,577,710.49)
Total Equity	13,840,962.08
TOTAL LIABILITIES & EQUITY	13,840,962.08



Erie County Gaming Revenue Authority
Statement of Cash Flows
June 2016

	<u>June</u>
OPERATING ACTIVITIES	
Net Income	(251,950.06)
Adjustments to reconcile Net Income to net cash provided by operations:	
14500 · Prepaid Insurance	790.00
Net cash provided by Operating Activities	<u>(251,160.06)</u>
Net cash increase for period	(251,160.06)
Cash at beginning of period	11,736,592.14
Cash at end of period	<u><u>11,485,432.08</u></u>



Erie County Gaming Revenue Authority
Budget vs. Actual
June 2016

Expense	June	YTD	Budget	Over/(Under) Budget	% of Budget
62100 · Contracted Services					
62110 · Accounting Fees	0.00	0.00	6,000.00	(6,000.00)	0.00%
62130 · Professional Services	4,244.40	10,481.40	45,000.00	(34,518.60)	23.29%
62140 · Legal Services	1,900.20	5,517.70	30,000.00	(24,482.30)	18.39%
62145 · Website Design	0.00	420.00	5,000.00	(4,580.00)	8.40%
62150 · Payroll Services	79.90	240.85	1,100.00	(859.15)	21.90%
Total 62100 · Contracted Services	6,224.50	16,659.95	87,100.00	(70,440.05)	19.13%
62800 · Facilities & Equipment					
62840 · Office Equipment & Furniture	113.75	167.95	10,000.00	(9,832.05)	1.68%
62850 · Janitorial Services	182.40	592.60	2,400.00	(1,807.40)	24.69%
62880 · CAM	0.00	0.00	2,000.00	(2,000.00)	0.00%
62890 · Rent	2,742.92	4,114.38	18,000.00	(13,885.62)	22.86%
Total 62800 · Facilities & Equipment	3,039.07	4,874.93	32,400.00	(27,525.07)	15.05%
65000 · Office Administration					
65010 · Books, Subscriptions, Dues	1,258.24	2,683.09	7,000.00	(4,316.91)	38.33%
65020 · Postage	65.99	197.97	500.00	(302.03)	39.59%
65030 · Printing	0.00	109.72	2,500.00	(2,390.28)	4.39%
65040 · Office Supplies	417.96	1,086.84	3,500.00	(2,413.16)	31.05%
65050 · Cell Phone	271.74	553.56	2,200.00	(1,646.44)	25.16%
65060 · Copier Lease	364.00	546.00	2,300.00	(1,754.00)	23.74%
65070 · Copier Printing Costs	529.64	771.83	3,000.00	(2,228.17)	25.73%
65080 · Bank Fees	0.00	0.00	50.00	(50.00)	0.00%
65085 · Training & Education	5,353.00	5,353.00	16,000.00	(10,647.00)	33.46%
65090 · Meeting Expenses	528.73	1,612.14	5,500.00	(3,887.86)	29.31%
65095 · Miscellaneous Expense	0.00	82.15	250.00	(167.85)	32.86%
Total 65000 · Office Administration	8,789.30	12,996.30	42,800.00	(29,803.70)	30.37%
65100 · Other Types of Expenses					
65105 · Communications	7,123.04	11,324.26	15,000.00	(3,675.74)	75.50%
65110 · Advertising	202.60	303.90	15,000.00	(14,696.10)	2.03%
65115 · Data Processing	1,534.02	4,704.29	17,000.00	(12,295.71)	27.67%
65120 · Insurance	790.00	1,580.00	10,000.00	(8,420.00)	15.80%
65150 · Travel	649.49	835.37	7,000.00	(6,164.63)	11.93%
65160 · Special Projects	54,150.00	54,150.00	200,000.00	(145,850.00)	27.08%
Total 65100 · Other Types of Expenses	64,449.15	72,897.82	264,000.00	(191,102.18)	27.61%
66000 · Payroll Expenses					
66005 · Salaries & Wages	13,168.56	42,543.54	188,100.00	(145,556.46)	22.62%
66010 · FITW Tax	1,007.40	3,254.59	14,500.00	(11,245.41)	22.45%
66015 · FUTA Tax	0.00	0.00	200.00	(200.00)	0.00%
66020 · PASUI Tax	0.00	55.12	2,200.00	(2,144.88)	2.51%
66500 · Retirement	374.64	1,117.28	5,000.00	(3,882.72)	22.35%
Total 66000 · Payroll Expenses	14,550.60	46,970.53	210,000.00	(163,029.47)	22.37%
Total Expense	97,052.62	154,399.53	636,300.00	(481,900.47)	24.27%



Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of June 30, 2016

	June	YTD	Totals/Subtotals
Uncommitted Funds	6,236,463.28		
Committed Funds	4,953,493.00		
2016 Restricted Funds:			
First Quarter Gaming Revenue		271,003.85	
Second Quarter Gaming Revenue		0.00	
Third Quarter Gaming Revenue		0.00	
Fourth Quarter Gaming Revenue		0.00	271,003.85
Disbursements:			
First Quarter Disbursements	166,100.00	3,341,541.96	
Second Quarter Disbursements		0.00	
Third Quarter Disbursements		0.00	
Fourth Quarter Disbursements		0.00	3,341,541.96

Disbursements Detail

Quality of Place

Community Assets

Human Services

Bethany Outreach Center	14,000.00	
Emma's Footprints	5,000.00	
Gaudenzia Erie, Inc.	19,000.00	38,000.00

Lead Assets

Erie Art Museum	86,672.00	
Erie Arts & Culture	63,677.00	
Erie Philharmonic	80,855.00	
Erie Playhouse	81,664.00	
Erie Zoological Society	184,930.00	
expERIEnce Children's Museum	28,075.00	
Flagship Niagara League	33,533.00	
The Historical Society of Erie County	37,341.00	
Mercyhurst Institute for Arts & Culture	50,065.00	646,812.00

Lead Assets Endowment

1,000,000.00 **1,000,000.00**

Special Events

Albion Area Fair, Inc.	13,500.00
Asbury Woods Partnership, Inc.	2,340.00
Borough of Wesleyville	448.00
CAFE	15,750.00
Dr. Gertrude A. Barber Foundation	12,137.00
Downtown Edinboro Art & Music Festival	1,845.00
Edinboro Highland Games	2,520.00
Edinboro University Foundation	2,250.00
Erie Contemporary Ballet Theatre	5,153.00
Erie Downtown Partnership	1,647.00
Erie Homes for Children and Adults, Inc	1,800.00

Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of June 30, 2016
(continued)

	<u>June</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Erie Regional Chamber & Growth Partner.		2,475.00	
Erie-Western PA Port Authority		4,443.00	
Gaudenzia Erie		2,802.00	
Goodell Gardens & Homestead		524.00	
Harborcreek Township		1,828.00	
Holy Trinity Roman Catholic Church		5,760.00	
Impact Corry		1,249.00	
Jefferson Educational Society of Erie		13,844.00	
Lake Erie Arboretum at Frontier		1,644.00	
Lake Erie Ballet		5,549.00	
Lake Erie Fanfare, Inc.		4,073.00	
Lawrence Park Township		675.00	
McKean Community Development Group		450.00	
Mercy Center for Women		2,345.00	
The Nonprofit Partnership		2,557.00	
Presque Isle Partnership		5,069.00	
Roar on the Shore		20,467.00	
SafeNet		5,400.00	
Saint Patrick's Church		3,672.00	
Sisters of St. Joseph Neighborhood Network		2,520.00	
Waterford Community Fair Association		4,675.00	
Wattsburg Agricultural Society		13,881.00	
Young Artists Debut Orchestra		1,816.00	167,108.00
<u>Municipalities</u>			
Multi-Municipal Collaboration			
Erie Area Council of Governments	37,500.00	37,500.00	
Girard Township	7,500.00	7,500.00	
Jefferson Educational Society	100,000.00	100,000.00	
West Erie County Emergency Management Agency	21,100.00	21,100.00	166,100.00
<u>Municipal Settlements</u>			
Erie County		7,452.61	
Greene Township		7,452.61	
McKean Township		7,452.61	
Millcreek Township		7,452.61	
Summit Township		30,487.93	
Waterford Township		7,452.61	67,750.98
<u>Neighborhoods & Communities</u>			
Impact Corry			
Mission Main Street			
<u>Small Business</u>			
Ignite Erie			
Industry+University			
Inner-city Small Business			

Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of June 30, 2016
(continued)

	<u>June</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
<u>Youth & Education</u>			
The Challenge			
General McLane Foundation		10,960.00	10,960.00
Shaping Tomorrow			
Total Funds Disbursements	<u>166,100.00</u>	<u>2,096,730.98</u>	<u>2,096,730.98</u>
<i>Committed Funds:</i>			
Ben Franklin Technology Partners Inc.		500,000.00	
The Challenge		120,160.00	
Enterprise Development Fund		500,000.00	
Shaping Tomorrow			
All About Character, Inc.		37,500.00	
Erie's Public Schools - Tech After Hours		133,333.00	
Gannon University - Go College		62,500.00	
Primary Health Network		100,000.00	
Penn State, The Behrend College		500,000.00	
PennVenture Partners		2,000,000.00	
The Progress Fund		1,000,000.00	
Total Committed Funds		<u>4,953,493.00</u>	



Erie County Gaming Revenue Authority
Check Detail Report
 June 2016

<u>Date</u>	<u>#</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
06/01/2016	1840	Diane Kuvshnikov	April / May Travel & Cell Phone Reimbursement	-217.98
06/01/2016	1841	GreatAmerica Financial Services	May Copier Charges	-332.00
06/01/2016	1842	K&A Engraving / K&A Tool Co. Inc.	Ignite Erie Stickers	-42.40
06/01/2016	1843	Knowledge Park	2016 June Rent	-1,371.46
06/01/2016	1844	Mark Fainstein Photography	Special Events Grants Reception / AR Board Photo	-778.75
06/01/2016	1845	United Way of Erie County	Block by Block Program	-15,000.00
06/01/2016	1846	Velocity Network, Inc.	Sonicwall License Renewal	-378.99
06/02/2016	EFT	ECCA, Inc.	5/14/16-5/27/16 Payroll	-6,540.77
06/02/2016	EFT	Fidelity Investments	5/14/16-5/27/16 Payroll Retirement	-408.47
06/06/2016	1847	Epic Web Studios	VOID: Annual Report/Website Development	0.00
06/06/2016	1848	Graham Upkeep Services	May 2016 Cleaning	-182.40
06/06/2016	1849	Times Publishing Company	Y&E / SP Public Notice Announcement	-105.40
06/06/2016	1850	Velocity Network, Inc.	Copy Overage/June Phones/July Internet/July IT	-1,044.66
06/06/2016	1851	W. B. Mason Co., Inc.	Self-Inking Stamp	-23.99
06/08/2016	1852	Amanda Burlingham	May 2016 Billing	-4,244.40
06/13/2016	1853	Fairview School Foundation	STEMWORKS	-39,150.00
06/13/2016	1854	Girard Township	2016-17 MMC Grant	-7,500.00
06/13/2016	1855	The University of Kansas	Frontiers in Education 2017 Conference	-4,500.00
06/13/2016	1856	West Erie County EMA	2016-17 MMC Grant	-21,100.00
06/15/2016	1857	Erie Area Council of Governments	2016-17 MMC Grant	-37,500.00
06/15/2016	1858	Erie Regional Chamber & Growth Partner.	Bronze Level Membership 7/16-6/17	-850.00
06/15/2016	1859	Jefferson Educational Society of Erie	2016-17 MMC Grant	-100,000.00
06/15/2016	EFT	Fidelity Investments	5/28/16-6/10/16 Payroll Retirement	-408.47
06/17/2016	EFT	ECCA, Inc.	5/28/16-6/10/16 Payroll	-7,272.79
06/27/2016	1860	Jefferson Educational Society of Erie	VOID: Civic Leadership Academy Enrollment	0.00
06/27/2016	1861	Knowledge Park	2016 July Rent	-1,371.46
06/28/2016	EFT	VISA	6/3/16 Statement - Perry	-55.73
06/28/2016	EFT	VISA	6/3/16 Statement - Diane	-5,500.80
06/30/2016	1862	GreatAmerica Financial Services	6/23/16 Copier Invoice	-332.00
06/30/2016	1863	Times Publishing Company	Y&E Meeting Public Notice Announcement	-97.20
06/30/2016	1864	Perry Wood	2016-17 Training & Education/ May&June Cell Phone	-5,494.74
06/30/2016	1865	Dale Barney	Travel Reimbursement: June 2016	-23.58
06/30/2016	1866	Dave Sample	Travel Reimbursement: Apr-Jun 2016	-272.55
06/30/2016	1867	David Bagnoni	Travel Reimbursement: Apr-Jun 2016	-158.70
06/30/2016	1868	Mike Paris	Travel Reimbursement: Apr-Jun 2016	-102.93
		TOTAL		-262,362.62





E·C·G·R·A
ERIE COUNTY GAMING REVENUE AUTHORITY

**EXECUTIVE
DIRECTOR'S
REPORT**
FOR
JULY, 2016



YOUTH & EDUCATION COMMITTEE MEETING
5240 Knowledge Parkway
Erie, PA 16510
June 28, 2016
12:00 p.m. – 1:00 p.m.

AGENDA

Committee Job Description: *To educate Erie's young adult workforce, strengthen schools and employers, and abate poverty.*

1. Lincoln Elementary School Project
2. Shaping Tomorrow Grants Update
3. Government Relations RFP
4. Pilot Project Grants Guidelines
5. Draft Audit
6. Enterprise Development Fund Update

Notes:

Lincoln Elementary Pilot – the committee reviewed the written proposal from Serve Erie requesting \$20,000. After much debate and discussion, the committee is formally recommending the project to the full board for a vote.

Shaping Tomorrow – a summary of the six ST finalists was handed out to the committee, the projects were discussed. Mr. Sample plans to recommend at the next board meeting that the three representatives whom attending the June ST meeting continue to serve at ECGRA’s representation in the process.

Draft Audit – the final draft of the audit was handed out to the committee. Several of the Audit Notes were reviewed after being questions, commented on, and suggested revisions came from the Treasurer. This was the second draft of the audit the board has seen. It will be voted on at the July board meeting.

Enterprise Development Fund – ECGRA staff continues to monitor the EDF in the wake of the GEIDC bankruptcy. The Executive Director has had several interactions with representatives from their board. Details of the discussions were relayed to the committee.

Pilot Project Guidelines – the committee reviewed the guidelines with the board. Feedback was given. The committee likes the idea of seeing a written proposal, then seeing a live presentation at an ECGRA board meeting, then voting on a resolution.

Government Relations RFP – the committee reviewed the contents of the RFP and had extensive dialogue on how and why we’re interested in gov’t relations services. The following questions should be discussed in further detail:

- A. Is this in ECGRA’s mission/scope?
- B. How do we choose a focus?
- C. If we choose a focus are we shielded from criticism for our choice?
- D. Are we on solid legal ground in choosing a focus?

Impact Corry launches redesigned website, downtown video

From staff reports

Months in the making, Impact Corry has launched both a redesigned corrypa.com website, and a new video highlighting Corry's downtown.

"It was a fairly complex and time-consuming undertaking, because we're trying to make the website as comprehensive as possible, and have it be a true community portal," said Impact Corry board member Chelsea Oliver.

The new video to market downtown Corry is prominently displayed on the website's home page. The video was produced by Donnie Rosie of Rosie Marketing in Spring Creek, using funds from the Erie County Gaming Revenue Authority's "Mission Main Street" program.

"We're very pleased with the video," said Impact Corry board member Peter Wills. "It's very professional, and reflects very well on Corry's downtown business district, and the community as a whole."

Oliver said the website redesign was made possible by a grant from the Corry Community Foundation. The redesign was conducted by Connie Sitterley of

Spartansburg, over a period of months with input and feedback from the Impact Corry board.

"Connie has been terrific," Oliver said. "She really led us through this process, and has been very helpful and patient as we continued to revise and improve the site."

Oliver also thanked the administrator of the original website, Sonny Froman of Corry, for the time he volunteered over a period of years to create and maintain the original site.

Wills said the new website took considerable time to develop for two primary reasons — its community wide scope, and updating and integrating Corry's city government information.

"It's really two websites in one, because the city government information is extensive," Wills said. "We want this to be as much of a one-stop website as possible for those who already live in the Corry region, and those seeking information about Corry."

Now that the retooled website is up, Impact Corry is asking the community to help refine it.

"We know we could not have identified every business and organization in

Corry, and some we've listed may not even be in existence anymore," Oliver said. "It would be very helpful if the public could go to the site, review our listings of stores, restaurants, organizations, service providers, manufacturers and everything else, and let us know what we've missed or what needs to be revised. There's a contact link on the site for anyone to provide such feedback."

The website's primary content areas include an overview of Impact Corry itself, and a "Visit Here" heading that includes information about eating, shopping, accommodations, things to do, community history and city information.

A "Live Here" heading includes information about the school district, real estate, job opportunities, community services, churches, health and medicine, culture and city data.

A "Business" heading includes downtown shopping, area shopping, manufacturing, and services, while an "Organizations" heading includes information about veterans organizations and community organizations.

◀ See Impact Corry, P.4

Impact Corry

(Continued from front page)

The listings of the various businesses and organizations do not include live links at this time. Oliver said Impact Corry plans to solicit those businesses and organizations to have their listings become live links for a small annual fee. Revenue generated from providing the live links will assist Impact Corry in meeting its annual operating costs, and fulfilling its mission of continuous community improvement.

"We're confident corrypa.com will be the community's main Internet portal, where people go to find information," Oliver said. "It should be very beneficial for businesses and organizations to be linked to the site."

The "Government" section includes an area for

announcements, and links to information about City Council, city offices and departments, doing business with the city, various reports and documents and community resources.

"We still have some tweaking to do on the government side of the site, and we plan to meet with city representatives in the near future to refine things," Wills said. "We also need to conduct some training, so the city can put up announcements and post new information as it sees the need."

"Connie Sitterley did a great job organizing all of that information, which will make it easier for city residents to find what they need," Wills said. "This should serve the community's needs for some time into the future."

June 1, 2016

Erie Times-News

SECTION

City & Region

B

Boost for businesses

Erie County gaming authority invests in loan fund

By JIM MARTIN
jim.martin@timesnews.com

Three Erie companies — a microbrewery, a day care center and a manufacturer of LED lights — share one important trait.

Leaders of all three said Tuesday that they owe their existence

to funding from Bridgeway Capital, a Pittsburgh-based community development financial institution that has made \$6.5 million in loans to Erie businesses since opening a local office four years ago.

The funding pool that helped to launch all three of those busi-

nesses got an injection of capital Tuesday that could make up an additional \$5 million available to lend.

Perry Wood, executive director of the Erie County Gaming Revenue Authority, said the group's business initiative, IgniteErie, has invested \$1 million in Bridge-

way, which will enable it to leverage a total of \$5 million to grant loans.

In a news conference Tuesday morning at Gannon University's Center for Business Ingenuity, Wood highlighted business

► Please see INVEST, 2B

Invest: More loans possible

Continued from 1B

owners who already have been helped by financing from Bridgeway.

■ Sean and Kenya Johnson, owners of Learning Ladder Early Child Care, 2502 Peach St.

■ Josh Gehly, owner of Green Lighting LED, located in the Erie Technology Incubator.

■ Jeff McCullor, co-owner of Erie Ale Works, 416 W. 12th St.

Owners of all three businesses said they had been unable to find financing elsewhere.

Sean Johnson said financing from Bridgeway, which is able to lend money on the strength of an idea or based on the promise of a purchase order, helped his business grow in just two years from eight clients to 65. Today, the company has 10 employees, including eight who work full time.

Gehly said financing from Bridgeway has functioned as a line of credit, enabling his business, which has sold LED light bases, to cover the expense of filling big orders.

The money invested by ECGRA and IgniteErie will be used to create the Erie Growth Fund, which will fund entrepreneur loans of up to \$50,000.

The Erie Growth Fund also will provide growth loans, averaging \$250,000, which will be available to help existing businesses expand and add employ-

Finally, Bridgeway will also offer community development loans to help finance commercial real estate projects in low-income areas.

At a time when segments of the local economy are struggling, Wood said he sees funding that will help entrepreneurs and small businesses as a top priority.

"It's what we do when we're down that matters," he said.

Despite the fact that some of Bridgeway's loans are unsecured, the organization's track record in Erie has been a good one, said T.J. King, director of Bridgeway's Erie office.

King said of \$6.5 million in loans made in Erie, only one loan — for \$30,000 — has defaulted.

Brian Siawin, regional director of the northwest of Ben Franklin Technology Partners, called the IgniteErie announcement great news, based on the potential for job creation with a minimal investment.

For more information or to apply for a loan from Bridgeway, contact King at tking@bridgewaycapital.org or 451-1172.

JIM MARTIN can be reached at 870-1668 or by email. Follow him on Twitter at [jtmartin](https://twitter.com/jtmartin).





EAGLE'S NEST LEADERSHIP CORPORATION

1129 Pennsylvania Avenue, Erie, PA 16503 (814) 874-3091 Fax: (814) 874-3063
www.eaglesnestleadership.org

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Greetings, My Friend.

The Eagle's Nest Employability Initiative has been a tremendous success since its inception only one year ago. We just graduated another 24 students who have received full-time employment with benefits at UPMC Hamot. UPMC Hamot has testified that their turnover rate has dropped by 42% since our partnership when compared to other hiring practices in identical position. And our students have a 74% retention rate. That is literally phenomenal.

Now we need your help! We have over 52 more applicants waiting to go through this program. The need is eminent. My team is prepared to continue the rigorous teachings of life skills, attitudinal development, financial literacy, professionalism, etc. but funding for these students is very limited.

We need \$35,000 to scholarship the next cohorts of young people. So, we are asking for a minimum gift amount of \$250.00 from you. The Eagle's Nest Leadership Corporation is a recognized 501c(3) non-profit organization.

I humbly ask for your assistance to help us with a proven strategy that produces proven results. Please remember "nothing stops a bullet like a job."

Respectfully,

Bishop Dwane Brock
Founder & CEO

Enclosed is a self-addressed stamped envelope for your convenience. Please make any checks out to: Eagle's Nest Leadership Corporation.



The Erie Community Foundation

Helping today... Shaping tomorrow.

459 West Sixth Street • Erie, Pennsylvania 16507 • ph 814 454 0843 • fx 814 456 4965 • www.eriecommunityfoundation.org

June 13, 2016

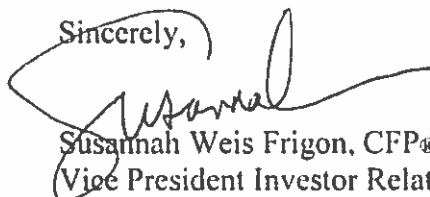
Mr. Perry N. Wood
Erie County Gaming Revenue Authority
5340 Fryling Road, Suite 201
Erie, PA 16510

Dear Perry:

On behalf of our Board of Trustees and the entire Erie Community Foundation team, I would like to thank you and your Board for the May 18, 2016 gift of \$1,000,000.00. This donation was added to the Erie County Lead Asset Endowment Fund II of the Erie Community Foundation.

Your continued support of the Lead Assets will help create meaningful change in our community for generations to come. Thank you.

Sincerely,



Susannah Weis Frigon, CFP®
Vice President Investor Relations

SWF/kj

The mission of the Erie Community Foundation is to improve the quality of life for all in our region by evaluating and addressing community issues, building permanent charitable endowments, and promoting philanthropic and community leadership. To learn more, visit www.eriecommunityfoundation.org

In keeping with current tax laws, The Erie Community Foundation does not provide any goods or services in consideration of your gift and the entire amount of your gift represents a charitable contribution for federal tax purposes. The Erie Community Foundation retains exclusive legal control over all assets contributed.

cc: Mike Batchelor

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**ERIE COUNTY GAMING
REVENUE AUTHORITY**

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2015

47

ERIE COUNTY GAMING REVENUE AUTHORITY
Table of Contents
March 31, 2015

	<u>Page</u>
Independent Auditors' Report	3-4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Balance Sheet-Governmental Funds	7
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	8
Notes to Financial Statements	9-13



FELIX & GLOEKLER, P.C.

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Alan C. Felix, CPA
James W. Gloekler, CPA, CFF

Natalie Heberlein, CPA, CFE
Gregory M. Ruban, CPA

Independent Auditors' Report

Members of the Erie County Gaming
Revenue Authority
Erie, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Erie County Gaming Revenue Authority as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Erie County Gaming Revenue Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Auditors' Report
(Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Erie County Gaming Revenue Authority as of March 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Felix and Gloekler, P.C.

Felix and Gloekler, P.C.

May 28, 2015
Erie, Pennsylvania

ERIE COUNTY GAMING REVENUE AUTHORITY

Statement of Net Position

March 31, 2015

	<u>Governmental Activities</u>
Current assets	
Cash and cash equivalents	\$ 13,195,928
Prepaid expenses	<u>7,610</u>
Total current assets	<u>13,203,538</u>
Noncurrent assets	
Notes receivable	<u>1,350,000</u>
Total noncurrent assets	<u>1,350,000</u>
Total assets	<u><u>\$ 14,553,538</u></u>
Net position	
Unrestricted	<u>14,553,538</u>
Total net position	<u><u>\$ 14,553,538</u></u>

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

Statement of Activities

For the Fiscal Year Ended March 31, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense)/ Revenue and Changes in Net Position</u>
Governmental activities:				
Grants awarded	\$ 4,729,240	\$ -	\$ -	\$ (4,729,240)
Grant administration	349,134	-	-	(349,134)
Total governmental activities	<u>\$ 5,078,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,078,374)</u>
General revenues:				
Gaming revenue				5,532,382
Return of prior year's grants				75,235
Investment income				30,599
Interest income-note receivable				39,545
Total revenues				<u>5,677,761</u>
Change in net position				599,387
Net position, beginning of year				<u>13,954,151</u>
Net position, end of year				<u>\$ 14,553,538</u>

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

Balance Sheet - Governmental Funds

March 31, 2015

Assets

Cash and cash equivalents	\$ 13,195,928
Prepaid expenses	7,610
Notes receivable	<u>1,350,000</u>

Total assets \$ 14,553,538

Fund Balance

Nonspendable	7,610
Committed	928,919
Unassigned	<u>13,617,009</u>

Total fund balance \$ 14,553,538

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the Fiscal Year Ended March 31, 2015

Revenues	
Gaming revenue	\$ 5,532,382
Return of prior year's grants	75,235
Investment income	30,599
Interest income-note receivable	39,545
	<hr/>
Total revenues	5,677,761
	<hr/>
Expenditures	
Grants awarded	4,729,240
Employee costs	150,121
Professional fees	103,056
Office space	16,182
Marketing and communications	21,148
Office expenses	21,372
Data processing	11,685
Insurance	9,008
General and meeting	16,562
	<hr/>
Total expenditures	5,078,374
	<hr/>
Excess of revenues over expenditures	599,387
	<hr/>
Fund balance, beginning of year	13,954,151
	<hr/>
Fund balance, end of year	\$ 14,553,538
	<hr/> <hr/>

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

Notes to Financial Statements For the Fiscal Year Ended March 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Erie County Gaming Revenue Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Reporting Entity

The Erie County Gaming Revenue Authority (the Authority) was established February, 2008. The Authority was formed pursuant to the provisions of the Economic Development Financing Law, the Pennsylvania Race Horse Development and Gaming Act, and the Home Rule Charter of the County of Erie. The purpose of the Authority is to administer municipal grants and otherwise perform the functions of the County's Economic Development Authority.

The Authority's Board consists of nine Board members. Two of the members are ex-officio, non-voting members, namely, the Chairman of County Council or designee, and the County Executive or designee. The remaining members consist of one resident from each of the seven districts within Erie County who shall be appointed by the County Executive with the consent of County Council.

The Authority is dependent on gaming revenues generated from the Presque Isle Downs and Casino. These revenues are passed on to the Authority as restricted funds. See Note 2 for how monies are distributed.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. *Governmental activities* are supported by gaming revenues received from the Commonwealth of Pennsylvania passed through the County of Erie.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) allocations for applicant's benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Gaming revenues not properly included among program revenues are reported instead as *general revenues*.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Budgets and Budgetary Accounting

The Authority does not prepare legally appropriated budgets. Budgetary control for the Authority is achieved through note agreements and contract agreements.

E. Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, as well as demand deposits, with original maturities of three months or less.

F. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

G. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the government fund financial statements, a flow consumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The balance of committed fund balance at March 31, 2015 was \$928,919 and consists of grants approved prior to the fiscal year-end.

I. Risk Management

The Authority is exposed to various risks of loss related to torts (mitigated through the Pennsylvania Municipal Torts Claim Act), theft of, damage to and destruction of assets; error and omission, and natural disasters.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – GRANTS AWARDED

In accordance with an agreement dated December 13, 2010 between the Authority and the eligible governmental entities, which includes Summit Township, Erie County, Greene Township, McKean Township, Millcreek Township and Waterford Township, the Authority will first distribute twenty-five percent of all gaming revenues received to these specific municipalities. In addition, the Authority will distribute thirty percent of the gaming revenues received to the Dedicated Regional Assets for the calendar years 2010, 2011, 2012, 2013 and 2014. The funds received during the calendar year are restricted and distributed based on the settlement agreement. After December 31st each year, the funds are considered uncommitted and are distributed in accordance with program guidelines established by the Authority's Board of Directors and management.

NOTE 3 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. As of March 31, 2015, \$13,135,344 of the Authority's bank balance of \$13,385,344 was collateralized with securities held by the pledging financial institution and \$250,000 was covered by FDIC insurance.

Uninsured and collateral held by the pledging banks' trust department not in the Authority's name	<u>\$13,135,344</u>
---------------------------------------------------------------------------------------------------------	---------------------

Reconciliation to Financial Statements

Insured amount	\$ 250,000
Uninsured amount	13,135,344
Less: Outstanding checks	<u>(189,416)</u>
Total cash and cash equivalents per financial statements	<u>\$13,195,928</u>

NOTE 4 - OPERATING LEASES

The Authority entered into an agreement with an Organization for rental of office space, which commenced in January 2011.

The Authority's base rent will be at a rate of \$7.50 per square foot per year payable in equal monthly installments of \$599.51. In addition to the base rent, the Authority will pay prorated charges of the utilities and taxes. This will be charged monthly. The total expenditures for the year ended March 31, 2015 were \$16,182.

Minimum future rentals to be paid as of March 31, 2015 are as follows:

2016	\$ 7,194*
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* Only represents base rent, does not include prorated charges for utilities, taxes, and common area maintenance.

NOTE 5 - IRREVOCABLE GIFT TO ERIE COMMUNITY FOUNDATION

The Authority has entered into an agreement with the Erie Community Foundation (the Foundation) to establish a donor designated fund, called the Lead Asset Endowment Fund. The Fund is established to perpetually provide financial assistance to organizations designated by the settlement dated December 13, 2010 (Erie County Lead Regional Assets). Starting in 2016, the Foundation shall grant awards to the designated organizations at least annually based on a formula determined by the Authority. The Authority granted \$1,373,646 to the Foundation for the year ended March 31, 2015.

NOTE 6 - NOTE RECEIVABLE

On September 13, 2012 and August 13, 2013, the Erie County Gaming Revenue Authority entered into loan agreements with the Enterprise Development Fund of Erie County, Inc. for \$500,000 and \$800,000, respectively. The purpose of the loan was to provide loans to various entities in the Erie County area to create and retain jobs. The loan agreements require interest only payments at a rate of 3% annum, until November 2018 and September 2018, respectively, unless ECGRA defers the principal payments. The loan has an outstanding principal balance of \$1,300,000 as of March 31, 2015.

In September 2014, the Erie County Gaming Revenue Authority entered into a loan agreement with the Corry Industrial Benefit Association (CIBA) for \$50,000. The purpose of the loan was to provide loans to low income individuals for energy efficient improvements for their homes. Payments are due to ECGRA when CIBA has issued a loan to an individual and CIBA receives principal payments. The loan has an outstanding principal balance of \$50,000 as of March 31, 2015.

NOTE 7 - SIMPLE IRA

In September 2014, the Erie County Gaming Revenue Authority SIMPLE IRA Plan was established with Fidelity Advisors to provide retirement benefits to their employees. The provisions of the Plan were established by the Board of Directors who can also amend the Plan. Employees can contribute up to the IRS limits and the Authority will match up to 3% of the employee's wages. Contributions made for the year ended March 31, 2015 by employees and the Authority were \$1,800 and \$4,438, respectively.





July 7, 2016

Debt Ratio Covenant

The Enterprise Development Fund's current debt ratio covenant is calculated monthly with the following formula:

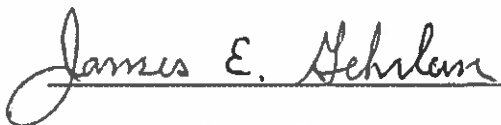
$$\text{Total Notes Payable} + \text{Total Loans Payable per Balance Sheet} / \text{Total Notes Receivable} = < 65\%$$

The Enterprise Development FUND would like to amend the debt ratio covenant to reflect the CDFI industry average of

$$\text{Total Notes Payable} + \text{Total Loans Payable per Balance Sheet} / \text{Total Notes Receivable} = < 86\%.$$

Please see the attached email chain with the OFN's Senior Vice President, Seth Julyan where he explains the average ratios for OFN Members. Opportunity Finance Network (OFN) is the leading national network of CDFI's. The organization is responsible for conducting and publishing research about the CDFI industry, its impact, best practices, and more.

By signing below, ECGRA recognizes the importance of complying with CDFI industry standards and approves the amended debt ratio covenant as defined above.



James Gehrlein, Chairman of the FUND Board

Perry Wood, Executive Director ECGRA

Robin King

From: Seth Julyan <sjulyan@ofn.org>
Sent: Thursday, May 26, 2016 3:05 PM
To: Robin King
Subject: FW: CDFI Benchmarks and Capacity Building

Hi Robin,

On the ratio you mention below the average OFN Member has a 86% ratio...

When looking at the debt ratio with assets as the denominator, the ratio goes to 51%.

Hope this helps.

From: Pam Porter
Sent: Thursday, May 26, 2016 2:55 PM
To: Robin King <rking@developerie.com>; Seth Julyan <sjulyan@ofn.org>; Jacqueline Fox <jfox@ofn.org>; Christopher Bell <CBell@OFN.org>
Subject: Re: CDFI Benchmarks and Capacity Building

Robin
Let me refer you to my colleagues on knowledge sharing who collect this data.
Good luck
Pam

Sent from my iPhone

On May 26, 2016, at 1:40 PM, Robin King <rking@developerie.com> wrote:

Ms. Porter,

I was just wondering if you had a chance to look at my earlier email. We are meeting with our funder tomorrow and would really like to use the appropriate industry standard when it comes to our debt ratio. Is this something you could provide or could you refer to someone who could?

Thank you so much!

Robin King
Grant Manager

<image001.png>
5240 Knowledge Parkway
Erie, PA USA 16510
(814) 899-6022
www.developerie.com

From: Robin King
Sent: Tuesday, May 24, 2016 2:04 PM

To: 'pporter@ofn.org'

Subject: CDFI Benchmarks and Capacity Building

I work for the Enterprise Development Fund, a CDFI in Erie, Pennsylvania. One of our funding sources requires a specific benchmark that we track monthly concerning our debt ratio. We are searching for the CDFI industry standard as it relates to this ratio.

The ratio is as follows:

Total notes payable (total as stands on balance sheet) / Total Notes Receivable < 65%

Can you tell me if this is normally tracked by CDFI's? Is the <65% a standard? Could we increase this?

If you are unable to answer this, could you direct me to someone who could?

Thank you so much. I look forward to an explanation at your earliest convenience. We have upcoming conversations scheduled with the funding source that requires this ratio and we would like to speak intelligently about the industry standard.

In addition, we are reaching out for some assistance with our current financial and operational performance. We went through a tremendous growth period from 2010-2015 but since we have experienced an increase in troubled loans and a decrease in lending. We want to change that trajectory back to one of growth and are looking for some seasoned advice on best practices to do just that. Is this something that you offer? We are OFN members.

Talk Soon,

Robin King
Grant Manager

<image001.png>
5240 Knowledge Parkway
Erie, PA USA 16510
(814) 899-6022
www.developerie.com



RESOLUTION NUMBER 15, 2016

Resolution to accept the 2015-16 audited financial statements

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law and the Erie County Gaming Revenue Authority Bylaws, resolves to accept the 2015-16 audited financial statements into record as outlined in the attached Exhibit "A".

On the motion of _____, seconded by _____.

This resolution was passed on the 14th day of July, 2016 by a vote of ____-____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman, Erie County Gaming Revenue Authority

July 14, 2016

ATTEST:

Secretary, ECGRA



**ERIE COUNTY GAMING
REVENUE AUTHORITY**

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2016

DRAFT

ERIE COUNTY GAMING REVENUE AUTHORITY

Table of Contents

March 31, 2016

	<u>Page</u>
Independent Auditors' Report	3-4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Balance Sheet-Governmental Funds	7
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	8
Notes to Financial Statements	9-14

Independent Auditors' Report

Members of the Erie County Gaming
Revenue Authority
Erie, Pennsylvania

We have audited the accompanying financial statements of the governmental activities and the major fund of the Erie County Gaming Revenue Authority as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise the Erie County Gaming Revenue Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Auditors' Report
(Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Erie County Gaming Revenue Authority as of March 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Felix and Gloekler, P.C.

Felix and Gloekler, P.C.

June 9, 2016
Erie, Pennsylvania

ERIE COUNTY GAMING REVENUE AUTHORITY

Statement of Net Position

March 31, 2016

	<u>Governmental Activities</u>
Current assets	
Cash and cash equivalents	\$ 13,060,773
Prepaid expenses	<u>7,900</u>
Total current assets	<u>13,068,673</u>
Noncurrent assets	
Notes receivable	<u>2,350,000</u>
Total noncurrent assets	<u>2,350,000</u>
Total assets	<u><u>\$ 15,418,673</u></u>
Net position	
Unrestricted	<u>15,418,673</u>
Total net position	<u><u>\$ 15,418,673</u></u>

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

Statement of Activities

For the Fiscal Year Ended March 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense)/ Revenue and Changes in Net Position</u>
Governmental activities:				
Grants awarded	\$ 4,316,920	\$ -	\$ -	\$ (4,316,920)
Grant administration	394,875	-	-	(394,875)
Total governmental activities	<u>\$ 4,711,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,711,795)</u>
General revenues:				
Gaming revenue				5,505,961
Investment income				31,392
Interest income-note receivable				<u>39,577</u>
Total revenues				<u>5,576,930</u>
Change in net position				865,135
Net position, beginning of year				<u>14,553,538</u>
Net position, end of year				<u>\$ 15,418,673</u>

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

Balance Sheet - Governmental Funds

March 31, 2016

Assets

Cash and cash equivalents	\$ 13,060,773
Prepaid expenses	7,900
Notes receivable	<u>2,350,000</u>

Total assets \$ 15,418,673

Fund Balance

Nonspendable	7,900
Committed	5,131,561
Unassigned	<u>10,279,212</u>

Total fund balance \$ 15,418,673

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the Fiscal Year Ended March 31, 2016

Revenues	
Gaming revenue	\$ 5,505,961
Investment income	31,392
Interest income-note receivable	<u>39,577</u>
 Total revenues	 <u>5,576,930</u>
Expenditures	
Grants awarded	4,316,920
Employee costs	165,500
Professional fees	91,924
Office space	18,840
Marketing and communications	30,679
Office expenses	26,230
Data processing	23,636
Insurance	9,332
General and meeting	<u>28,734</u>
 Total expenditures	 <u>4,711,795</u>
 Excess of revenues over expenditures	 865,135
 Fund balance, beginning of year	 <u>14,553,538</u>
 Fund balance, end of year	 <u><u>\$ 15,418,673</u></u>

The notes to the financial statements are an integral part of these statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

Notes to Financial Statements For the Fiscal Year Ended March 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Erie County Gaming Revenue Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Reporting Entity

The Erie County Gaming Revenue Authority (the Authority) was established February, 2008. The Authority was formed pursuant to the provisions of the Economic Development Financing Law, the Pennsylvania Race Horse Development and Gaming Act, and the Home Rule Charter of the County of Erie. The purpose of the Authority is to administer municipal grants and otherwise perform the functions of the County's Economic Development Authority.

The Authority's Board consists of nine Board members. Two of the members are ex-officio, non-voting members, namely, the Chairman of County Council or designee, and the County Executive or designee. The remaining members consist of one resident from each of the seven districts within Erie County who shall be appointed by the County Executive with the consent of County Council.

The Authority is dependent on gaming revenues generated from the Presque Isle Downs and Casino. These revenues are passed on to the Authority as restricted funds. See Note 2 for how monies are distributed.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. *Governmental activities* are supported by gaming revenues received from the Commonwealth of Pennsylvania passed through the County of Erie.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) allocations for applicant's benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Gaming revenues not included among program revenues are reported instead as *general revenues*.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Budgets and Budgetary Accounting

The Authority is not required to adopt a budget; however, a budget is adopted to monitor operational costs.

E. Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, as well as demand deposits in checking and savings accounts at a local financial institution.

F. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the government fund financial statements, a flow consumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

H. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The balance of committed fund balance at March 31, 2016 was \$5,131,561 and consists of grants approved prior to the fiscal year-end.

I. Risk Management

The Authority is exposed to various risks of loss related to torts (mitigated through the Pennsylvania Municipal Torts Claim Act), theft of, damage to and destruction of assets; error and omission, and natural disasters.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – GRANTS AWARDED

In accordance with an agreement dated December 13, 2010 between the Authority and the eligible governmental entities, which includes Summit Township, Erie County, Greene Township, McKean Township, Millcreek Township and Waterford Township, the Authority is to first distribute twenty-five percent of all gaming revenues received to these specific municipalities.

In addition, the Authority distributed at least thirty percent of the gaming revenues received to the Dedicated Regional Assets (Lead Assets) for the calendar years 2010, 2011, 2012, 2013 and 2014. The funds received during the calendar year are restricted and distributed based on the settlement agreement. After December 31st each year, the funds are considered uncommitted and are distributed in accordance with program guidelines established by the Authority's Board of Directors and management. The Authority's obligation to make payments on the category of Lead Assets pursuant to the Settlement Agreement expired in 2014. The Authority has received a Release and Acknowledge from each Lead Asset indicating that each of the Lead Assets have acknowledged the Authority's full compliance with this aspect of the Settlement Agreement.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. As of March 31, 2016, \$12,847,290 of the Authority's bank balance of \$13,097,290 was collateralized with securities held by the pledging financial institution and \$250,000 was covered by FDIC insurance.

Uninsured and collateral held by the pledging banks' trust department not in the Authority's name	<u>\$ 12,847,290</u>
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Reconciliation to Financial Statements

Insured amount	\$ 250,000
Uninsured amount	12,847,290
Less: Outstanding checks	<u>(36,517)</u>
Total cash and cash equivalents per financial statements	<u>\$ 13,060,773</u>

NOTE 4 – OPERATING LEASES

The Authority entered into an agreement with an Organization for rental of office space, which commenced in April 2015.

The Authority's base rent will be payable in equal monthly installments of \$1,371.46. This will be charged monthly. The total expenditures for the year ended March 31, 2016 were \$18,840.

NOTE 4 – OPERATING LEASES (CONTINUED)

Minimum future rentals to be paid as of March 31, 2016 are as follows:

2017	\$ 16,488
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NOTE 5 – IRREVOCABLE GIFT TO ERIE COMMUNITY FOUNDATION

The Authority has entered into an agreement with the Erie Community Foundation (the Foundation) to establish a donor designated fund, called the Lead Asset Endowment Fund. The Fund is established to perpetually provide financial assistance to organizations designated by the settlement dated December 13, 2010 (Erie County Lead Regional Assets). The Authority granted \$1,659,714 to the Foundation for the year ended March 31, 2016. This was the final payment in accordance with the agreement. Currently the Authority is determining whether or not new funds will be invested in the current endowment.

NOTE 6 – NOTE RECEIVABLE

On September 13, 2012 and August 13, 2013, the Erie County Gaming Revenue Authority entered into loan agreements with the Enterprise Development Fund of Erie County, Inc. (the Fund) for \$500,000 and \$800,000, respectively. The purpose of the loan was to provide loans to various entities in the Erie County area to create and retain jobs. The loan agreements require interest only payments at a rate of 3% annum, until November 2018 and September 2018, respectively, unless ECGRA defers the principal payments. The loan has an outstanding principal balance of \$1,300,000 as of March 31, 2016.

The Authority was notified on April 22, 2016, an entity related to the Fund, The Greater Erie Industrial Development Corporation (GEIDC), has filed for Chapter 7 bankruptcy. The Fund and GEIDC currently pay the Economic Development Corporation of Erie County for day-to-day management of the Fund and GEIDC and for all staffing needs. Management has considered the collectability of the note receivables with the Fund and determined that the balance is collectible as of March 31, 2016. The Authority staff and Board should consider to monitor this dynamic situation to confirm ongoing viability of the Fund.

In September 2014, the Erie County Gaming Revenue Authority entered into a loan agreement with the Corry Industrial Benefit Association (CIBA) for \$50,000. The purpose of the loan was to provide loans to low income individuals for energy efficient improvements for their homes. Payments are due to ECGRA when CIBA has issued a loan to an individual and CIBA receives principal payments. The loan has an outstanding principal balance of \$50,000 as of March 31, 2016.

In January 2016, the Erie County Gaming Revenue Authority entered into a loan agreement with Bridgeway Capital for \$1,000,000. The purpose of the loan was to create the Erie Growth Fund. The loan requires interest only quarterly payments at a rate of 3% annum. The entire principal is due January 2026. The loan has an outstanding principal balance of \$1,000,000 as of March 31, 2016.

NOTE 7 – SIMPLE IRA

In September 2014, the Erie County Gaming Revenue Authority SIMPLE IRA Plan was established with Fidelity Advisors to provide retirement benefits to their employees. The provisions of the Plan were established by the Board of Directors who can also amend the Plan. Employees can contribute up to the IRS limits and the Authority will match up to 3% of the employee's wages. All contributions and earnings are vested immediately. Contributions made for the year ended March 31, 2016 by employees and the Authority were \$4,131 and \$3,854, respectively.

DRAFT

RESOLUTION NUMBER 16, 2016

Resolution to advertise a request for proposal for governmental relations services

BE IT RESOLVED that, ECGRA, in the implementation of its mission to promote economic and community development in partnership with federal agencies, the Commonwealth of Pennsylvania, and other entities in national and state government, the board of directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law and the Erie County Gaming Revenue Authority Bylaws, resolves to advertise the attached Request for Proposal for Governmental Relations Services.

On the motion of _____, seconded by _____.

This resolution was passed on the 14th day of July, 2016 by a vote of _____ - _____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman, Erie County Gaming Revenue Authority
July 14, 2016

ATTEST:

Secretary, ECGRA

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DRAFT RFP FOR GOV'T RELATIONS SERVICES

For internal Review Purposes Only

ECGRA is seeking an experienced firm to provide government relations and legislative representation services that promote ECGRA's interests before the federal government, Commonwealth of Pennsylvania and other entities in Pennsylvania government. ECGRA desires to enter into a professional services contract with a qualified individual or firm who can demonstrate competency and experience in providing federal and state government relations services for ECGRA.

In carrying out these services, the firm will assist ECGRA with representation, information gathering, information dissemination, strategic advice, and support services. The firm will provide a flexible level of support, depending on the depth or scope of ECGRA's legislative priorities at any given time. The services focus on: 1) identifying partnership opportunities with the Commonwealth and federal agencies in funding and implementing public input-driven plans that are consistent with ECGRA's mission (e.g. aspects of Erie's comprehensive plan, Emerge 2040, Ignite Erie Plan); 2) identifying, tracking, and responding to legislation that impacts ECGRA and the plans listed; and 3) assisting in securing various federal and state funding.

Qualifications

The selected government relations firm should, at a minimum, possess:

1. A minimum of 3 years of professional government relations experience;
2. A strong working knowledge of legislative, administrative, and regulatory processes at the local, state, and federal levels;
3. A clear understanding of the City of Erie and northwestern Pennsylvania region, the state programs administered by the community, and a knowledge of the funding needs and policy issues important to the community;
4. A history of successful government relations experience at the federal, state and local levels;

5. A clear strategy for representing the ECGRA at meetings with key legislators at the federal, state & local level as well as members of the federal executive branch and Pennsylvania governor's office;
6. The ability to liaison with members of Congress, Pennsylvania General Assembly, federal and state agencies, the Governor's Office,
7. Resources to attend committee meetings, administrative hearings and workshops; monitor legislative and administrative developments; and report back to ECGRA;
8. Experience in identifying and securing various sources of federal and state funding;
9. Experience in coordinating communications and meetings with legislators, federal and state agencies, the federal executive branch and the Governor's Office;
10. Experience in working with legislative senate and house committees;

It is desirable that the selected firm possess a strong working knowledge of legislative, administrative, and regulatory processes and issues related to local government.

Statement of Work Responsibilities

1. General Requirements

The general scope of work consists of the firm performing all of the following services:

- a. Provide a broad range of government relations and lobbying services on behalf of ECGRA before the Legislative and Executive branches of federal and state government as concerns the plan.
- b. Represent ECGRA's interests as concerns the plan in the federal and state budget process as well as identify, solicit, and lobby for capital, transportation and other discretionary grants.
- c. Review and analyze on a continuing basis, all existing and proposed federal and state policies, programs, and legislation; identify issues that may impact the plan; and provide prompt notification of issues to ECGRA.
- d. Based on policy direction provided by ECGRA, develop and implement strategies to advance the plan.

2. Communications

a. Throughout the year and on a real time basis, inform ECGRA of developments coming out of the federal and state legislative and executive branches that have the potential of impacting the plan.

b. Be available in a timely manner in person, by telephone, fax, or email to provide consultation and advice.

c. In response to ECGRA's direction, act quickly on behalf of plan to rapidly changing developments in federal or state government with impact on policy and legislative matters concerning the plan.

d. Represent ECGRA at federal or state committee hearings, or other meetings that may pertain to the plan.

e. Participate as necessary either in-person or by telephone in meetings with ECGRA or related to the development and implementation of the plan.

f. Work with ECGRA to prepare written communications that convey positions on federal or state legislative, policy, and intergovernmental issues pertaining to the plan.

g. Provide legislative and policy research on legislative proposals and executive agency regulations/issues/initiatives pertaining to the plan.

3. Intergovernmental Relations.

The firm will be responsible for the following relationship building activities:

a. Represent ECGRA's interests in Harrisburg and Washington, D.C. by interacting with key members and staff of the legislative and executive branches.

b. Facilitate regular meetings between ECGRA and appropriate legislators and agencies to strengthen relationships, and to provide State officials with support as they work to successfully advance the objectives of the plan.

c. Coach ECGRA, when necessary, on how to present testimony, interact with legislators, and be successful advocates in helping to advance the plan.

d. Establish and maintain effective strategic relationships with the Pennsylvania League of Cities and other 3rd class cities to achieve outcomes that support ECGRA's legislative and policy positions.

RESOLUTION NUMBER 17, 2016

Resolution to adopt the ServErie Lincoln Elementary School Project

Whereas, ECGRA's mission of economic and community development recognizes the importance of supporting collaborative citizen groups working together in a public-private partnership to address neighborhood renewal by supporting the education of young people;

Whereas, independent, academic research has shown a correlation between building quality and capital investment to higher test scores and academic achievement, teacher motivation, school leadership, and student time spent on learning;

Whereas, ECGRA's Strategic Plan recognizes that investment in youth and education is essential to creating long-term economic competitiveness in the workforce of Erie County;

Whereas, ECGRA believes, as a good steward of the Gaming Funds, that it is in the best interest of the citizens of Erie County to pilot an unproven concept such as neighborhood renewal in a specified public school, to learn from the pilot program, refine it, and deliberate on its merits before offering eligible neighborhood renewal associations throughout Erie County the opportunity to implement the refined and then proven neighborhood renewal program;

Whereas, eligible neighborhood renewal associations concerned with the proactive revitalization of respective public schools are a regional asset to be supported at a later date if deemed successful by a pilot project;

Whereas, ECGRA has selected ServErie to launch said pilot concept with a project grant of \$20,000, which will be matched 1-1 to the extent outlined in the attached Exhibit "A";

Whereas, ECGRA declares the following milestones to be measured and analyzed as part of the pilot project:

1. Project completion and satisfaction
2. Total number of volunteers and partners involved in the project
3. Estimated economic impact of the project due to the alleviation of expenses that would otherwise be incurred by Erie's Public Schools and tax base
4. Morale and student achievements that are noted by teachers and administration to be linked to facilities improvements

Whereas, ServErie shall report to ECGRA within 12 months as to the successes, failures, and obstacles encountered so that ECGRA may determine whether to refine the program prior to considering whether to offer the neighborhood renewal program to eligible neighborhood renewal associations throughout Erie County.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law and the Erie County Gaming Revenue Authority Bylaws, resolves to adopt the ServErie Lincoln Elementary School pilot project to the extent outlined in this document and attachments.

On the motion of _____, seconded by _____.

This resolution was passed on the 14th day of July, 2016 by a vote of ____ - ____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman, Erie County Gaming Revenue Authority
July 14, 2016

ATTEST:

Secretary, ECGRA

SERV_{ERIE}

HELP OUR SCHOOLS

Lincoln Elementary School
831 E. 31st Street – Erie, PA

July 15-17, 2016

Project Summary

ServErie is a movement of Erie churches and organizations committed to serving those in need in our city through local social service agencies and neighborhoods. With hundreds of volunteers, ServErie has made a significant impact on our community by being the hands and feet of Christ through building relationships and spreading hope. ServErie recruits volunteer laborers and provides materials to help restore and repair social-service agencies, schools, neighborhoods, and nonprofit facilities. ServErie was founded and is managed by Grace Church.

ServErie started in 2008 with 55 volunteers on a Saturday service project. Since then, ServErie has held ServErie Saturdays four times per year and has expanded from two churches to 44 partner churches, organizations, student groups and businesses. Today, ServErie not only holds ServErie Saturdays in the city, but also in east and west Erie County. The most recent ServErie provided services to 20 local organizations in February 2016 had more than 450 volunteers from 30 local organizations.

The current project, Help Our Schools: The Lincoln School Project, was born from a desire to use the model of ServErie to bring transformational change to Erie's neediest areas. Unlike other ServErie Saturdays that reached out to a variety of organizations, this project is solely focused on Lincoln Elementary School in an effort to assist Erie's Public Schools, which is facing a serious budget crisis. After conversations with ServErie leaders and Dr. Jay Badams, superintendent of Erie's Public Schools, Lincoln Elementary School was identified as a priority as part of the EPS's optimization plan. Lincoln Elementary is a 99-year-old school that serves 500 students in pre-K to Grade 5.

More than 1,000 volunteers are expected to assist with the project over three days and multiple shifts, July 15-17, 2016. On Saturday, July 16, the Lincoln School families will participate from 10 a.m.-3 p.m. in activities that are specially designed for families to work together. Additionally, there will be a Kid's Zone and health screening provided to the community.

Goals

The primary goals of the project are:

- To assist and support Erie's Public Schools
- To build relationships and partnerships within the Erie community that unite the community
- To solve the proximity problem: Helping willing volunteers to come face to face with community needs



Figure 1: Cleaning of hallways, lockers and classrooms are needed.

The specific project goals which follow are projects that will be completed by the end of the weekend:

- Point west wall
- Paint 1st Floor Hall & Classrooms
- Paint 2nd Floor Halls & Classrooms
- Paint 3rd Floor Halls & Classrooms
- Paint & Repair 4 Stairwells
- Paint Entry/Murals/Additional murals as agreed
- Refinish auditorium seats and paint partial floors & entrances
- Clean and paint office, library, teachers' lunch room and conference room, replace carpeting in main office
- Clean multi-purpose/lunch room/Wash all windows indoor and out
- Replace ceiling tiles
- Power wash entrances/Paint flagpole/Weed and paint tennis court fence
- Mow all grass, edge, weed and mulch around existing landscaping & trees
- Patch sidewalk, replace some entrance aprons
- Collect school supplies for teachers and students



Figure 2: Student chairs will be repaired

Possible Additional Projects (based on time and funding):

- Teacher wish list repairs to classrooms
- Repair or replace drapes for auditorium
- Plant perennials



Figure 3: Previous water damage and chipping paint will be repaired and the interior of the hallways and classrooms will be repainted.

NOTE:

A letter from Erie's Public Schools Chief Engineer, Leroy Ganska, is found in Appendix A. This letter acknowledges that Mr. Ganska and Jim Arble, the building engineer for Lincoln Elementary School, are aware of the project and will maintain EPA, CDC and Asbestos Hazard Emergency Response Act (AHERA) requirements, standards and protocols. It is also noted that no abatement or disruption of lead-based paint or asbestos is planned.

NECESSITY OF PILOT

In the middle of the budget crises of the Commonwealth of Pennsylvania and Erie's Public Schools, physical needs of existing schools are falling by the wayside due to prioritization. In many cases, these needs have not been met because of greater priorities in the school district. One of those unmet needs has been the renovation of the 99-year-old Lincoln Elementary School. In the pictures below, you can clearly see the crumbling stairs and the chipping paint. What you can't see in these pictures is the decreased morale, the dwindling attitudes and the negative impact of the environment on test scores. We know these factors exist based on independent, academic research. This research has shown that physical elements

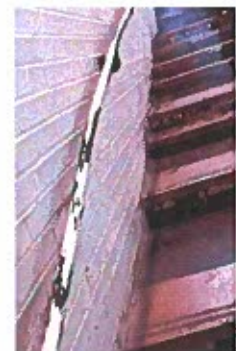


Figure 4: Stairwells will be repaired and repainted.

in the classroom improve comfort, well-being, attitude and academic achievement.¹ Building quality has been linked to higher test scores,² and capital investment has been linked to academic achievement, teacher motivation, school leadership, and student time spent on learning³.

FUNDING SOURCES

We are seeking funding from a number of private donors and organizations in the community. Here is a summary of funding sources that have been currently committed (additional funding is expected from private donors and organizations):

Private Donors	\$7,000
Community Non Profits	\$5,000
Corporations	\$3,000
In-Kind Donations	\$4,602
Grace Church Operating Budget	\$20,000

TARGET AUDIENCE

The following individuals/groups will benefit from this project:

The students of Lincoln Elementary – These 500 students will experience the largest benefit from this project through a more updated school, increased morale and sense of pride and improved attitude.

The teachers of Lincoln Elementary – The teachers at Lincoln Elementary have been purchasing supplies for their students due to a lack of budget and families who are financially unable to provide them. The donations of school supplies will meet this need. Further, like the students, the renovations will provide an improvement in attitude and morale and subsequently may provide benefits in terms of retention.

Erie's Public Schools – This project alleviates costs that the struggling school district would otherwise need to expend or forgo. This project also hopes to strengthen the relationship between ServErie and Erie's Public Schools to develop a model where the community assists the school district in a more long-term way.

The families of Lincoln Elementary – Similar to the students and employees of Lincoln School, the families will feel pride in their school. The contribution of school supplies will also alleviate financial burdens on the families.

The community surrounding Lincoln Elementary – Neighbors have indicated that the school has been an eye sore to the community. They take pride in their school and want the aesthetics to be improved. Additionally, when potential homeowners are looking to move into an area, one of the first things they look at is the schools in the area – improving the aesthetics of the school may also assist in selling homes in the area and act as a boost to the economy.

¹ {Hannah, 2013}

² {Plumley, 1978; Edwards, 1992; Cash, 1993; Earthman and Lemasters, 1998; Hines, 1996}

³ {PricewaterhouseCooper, 2001}

BUDGET

Total Project Cost:	\$86,991
Total Grant Request:	\$20,000
ServErie Match:	\$20,000
Donations:	\$46,991

Depending on the securing of funding, the scope of the project may be revised. This is indicated by priority and secondary projects listed on the detailed project budget in Appendix B.

LONG-TERM PLAN

ServErie plans to continue these school projects into the future and has, with Dr. Badams, identified four schools that are on the Erie's Public Schools' optimization plan such as Central Tech/Roosevelt Elementary and Edison Elementary School. ServErie plans to partner in a similar way with Erie's Public Schools to provide assistance to these four schools over the next four years (one per year).

ServErie plans to leverage the template provided by other faith-based groups that partner with schools, like Life Remodeled, which focuses on improving one Detroit neighborhood or school each year. Last August, Life Remodeled received the help of 10,000 volunteers to renovate an inner-city high school surrounded by high crime, blight and poverty.

PROJECT PARTNERS

The list of project partners continues to grow and will grow until the day of the event. As of June 15, 2016, this is the list of partners who have either lent their expertise and skill, volunteers, in-kind donations or volunteers:

- Alex Roofing
- Bonnell's Collision
- Bush Masonry Contractor
- Dailey's Concrete Services
- Erie's Public Schools
- Maleno Development
- Sam Catania Painting Contractor
- Schillings Carpet

For a detailed list of volunteer partners, please see Appendix C.

EVIDENCE OF SUPPORT

Evidence of support can be seen by the list of partners. Additionally, a letter of support from Erie's Public Schools can be found in Appendix D.

QUALIFICATIONS AND EXPERIENCE

A precursor to ServErie was a Grace project in the late 1990s called Target. About 150 volunteers, a mix of contractors, plumbers, electricians and area students, would clean and repair homes in Erie's low-income neighborhoods. Target's projects would last one week in the summer with between 10 and 12 homes being rehabbed.

ServErie also played a large role in Extreme Makeover: Home Edition when it filmed in Erie in 2009. Grace Church gathered more than 500 volunteers to do smaller home improvement projects at 46 homes in the neighborhood around Clara Ward's house including renovating and designing new bedrooms for children Clara Ward was close to. Other work completed in the neighborhood included landscaping, painting and small construction projects.

As mentioned, ServErie has worked quarterly with over 50 local non-profits and hundreds of volunteers. In a single event in February 2016, ServErie had more than 450 volunteers from 30 local organizations.

Derek Sanford, lead pastor of Grace Church, has been intimately involved with ServErie since its inception. He provides the vision and necessary guidance to ensure the project meets the needs of the organization(s) being served and the community as a whole. Miriam Crossman has served as project coordinator since 2012. She knows the ins and outs of volunteer coordination, project management and day-of operations. She has successfully overseen more than 16 projects and thousands of volunteers in her four years. Grace Church's staff, along with a team of leaders from other local churches and organizations, also supports the effort including operational and organizational leadership, youth and kids leaders, communication and marketing leaders and teams, as well as support staff. An organizational chart of this ServErie project can be found in Appendix E and an organizational chart of Grace Church leadership can be found in Appendix F.

Additionally, the project pulls from local specialized contractors who lead volunteers on specialized projects such as construction, painting and flooring. For this particular project, the following specialized contractors will be providing services to the project:

- Alex Roofing
- Bush Masonry
- Dailey's Concrete Services
- Maleno Development
- Sam Catania Painting
- Shillings Carpet

TIMELINE

The full scope of the project will be completed by July 20, 2016, including cleanup of the project site. ServErie's ability to complete the project has been demonstrated by successful completion of ServErie Saturdays as well as the Extreme Makeover: Home Edition project, which compares to the scale of this project.

The bulk of the project will take place between July 1 and July 15, 2016. A detailed project timeline can be found in Appendix G.

EVALUATION

The projects will be evaluated through a number of lenses including:

Project Completion and Satisfaction. Was the project completed in its entirety and to the level of expectation of Erie's Public Schools. This will be measured through a walk through at the end of the project to compare the completed tasks with the intended project list as well as a follow up meeting with Dr. Badams and representatives of Erie's Public Schools.

Volunteers. We measure the number of volunteers to determine community impact and engagement. This number is gathered through our registration process as volunteers enter the worksite. This number will also be compared with future projects' volunteers numbers and to our previous project numbers.

Partners. We will aggregate the number and names of organizations in the community who had a hand in the project. This list is compared to previous and future projects to determine growth, reach and relationship building.

Economic Impact. Using the total number of dollars invested in the school from the completed projects budget, an estimated economic impact can be determined since this project is alleviating costs from the budget of Erie's Public Schools and the tax base.

Morale and Student Achievements. While there are formal methods to measure morale, this will be measured through anecdotes/conversations in the Lincoln School community. Erie's Public Schools measures more formal standards (i.e., test scores) but changes in these areas will be challenging to pin on the renovations. However, as previously noted, research has shown correlations so it can be assumed that an effect will be seen.

APPENDIX A: Lead-based Paint and Asbestos Letter



Dr. Jay D. Badams
Superintendent of Schools

Nancy Sadaly
Assistant Superintendent

Board of School Directors

Robert S. Casillo
President

Edward M. Brzezinski
Vice President

Linda Aleksandrowicz

Robbie Fabrizi

John C. Harkins

Angela McNair

Frank Petrunger, Jr.

Mary Frances Schenley

Thomas A. Spagel

Robin J. Smith
Secretary

June 17, 2016

Mr. Perry Wood
Executive Director
Erie County Gaming Revenue Authority
5340 Fryling Road, Suite 201
Erie, PA 16510

Dear Perry:

I am writing today to verify that my office and I are well aware of the Lincoln School project through ServErie. My office and the building engineer for Lincoln Elementary School, Jim Arble, have and will continue to be involved to ensure all lead and asbestos safety regulations and guidelines have been considered and met. I am the district's AHERA designated person and have been certified and enforce all aspects of the EPA and CDC's protocols and guidelines as they relate to asbestos and lead, including Asbestos Hazard Emergency Response Act (AHERA).

This current project will not disrupt any existing lead-based paint; all potential lead-based paint is and will remain encased throughout the duration of the project and no abatement is required. Likewise, this project will not require the intentional abatement or disruption of any areas that contain asbestos. We will follow proper guidelines to ensure unintentional disruption is prevented. We will continue to monitor the project throughout its duration to ensure all EPA and AHERA guidelines and protocols are adhered to. The asbestos documents are on file at Lincoln Elementary School and Erie's Public Schools district offices if further review is needed.

Please do not hesitate to contact me at 814-874-6000 or lganska@eriesd.org if you require additional information. Thank you for your assistance in this matter.

Sincerely,

Leroy Ganska
Chief Engineer

Erie's Public Schools
148 West 21st Street
Erie, PA 16502-2834
P: 814.874.6000
F: 814.874.6049
www.eriesd.org

An Equal Opportunity Employer

APPENDIX B: Lincoln School Project Budget



Help Our Schools: The Lincoln School Project

THE WORK PROJECT

PRODUCT	Number Needed	DESCRIPTION	COST per item
Paint	800 Gal		\$20/gal
Drop Cloths	80	12/pack 6x9ft	8.98/pack
Sash Brushes	100	4-in Natural Brushes	4.18/brush
Roller Pans	200	Blue Hawk	3.68/tray
Roller Pan Liners	200	Blue Hawk	1.00/liner
Roller Frames 9 in.	150	Project Source	3.98/frame
Roller Covers	500	Wool. Synth blend 6/pk	12.99/pack
Buckets - Small	50	2.5 quart	2.35/bucket
Buckets - Large	50	2 gallons	3.22/bucket
Blue Masking Tape	60	6/pk	34.98/pack
Dumpster	1		\$600
Polyurethane for Aud.seats	20 Gal	Clear Satin for furniture	\$49.97/gal
Trash Bags	200	contractor's 50/count 42 Gal	\$25.98
Seat stripper	55 gal	includes shipping	\$50 per gal
Topsoil		8 yds delivered	
Shade tolerant grass seed		2 bags	
Perennial plants		15 pots	
Neighborhood Landscaping/Projects			
Sidewalks			
Parking Lot			
Exterior Sign			
Curtains			
WORK PROJECT TOTAL			

* - Second tier project

MARKETING/ADVERTISING/PROMOTIONS

Advertising			
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APPENDIX C: Lincoln School Project Partners



Lincoln Elementary School
831 E. 31st Street – Erie, PA
July 15-17, 2016

PARTNERS

ServErie Church & Group Partners

Asbury Methodist

Bethel Baptist Erie

C3 Church Harborcreek

Christ Community

Church of God - Erie

Church of the Cross

East Lake Rd Alliance

Elevate Church

Erie Christian Fellowship

Erie First

Erie Young Adults

Fairview Methodist

Faith Lutheran

Family Worship Center

Federated

First Alliance

First Methodist

First Presbyterian Harborcreek

First Presbyterian Waterford

Flagship

Flightpath

Glenwood Methodist

Grace Church

Lake Erie Christian Fellowship

Lake Pointe

Luther Memorial

McLane Church

Messiah Lutheran

Millcreek Community

New Apostolic

New Life and Revival Center

Our Lady of Mercy

Primera Iglacia Ebenezer Assembly of God

ReaLife Assembly of God

Russian Baptist

Sacred Heart

South Harborcreek UM

St Joseph/Bread of Life

St Jude

Summit UM

St Paul's Lutheran

Wayne Park

Wesleyville Baptist

Westminster Presbyterian

APPENDIX C: Lincoln School Project Partners



Lincoln Elementary School
831 E. 31st Street – Erie, PA
July 15-17, 2016

PARTNERS

Schools

Edinboro University

Erie Home Schoolers

Gannon University

LECOM

Mercyhurst University

Penn State - The Behrend College

PIA Academy

Seneca Service Club

Villa Maria

YFC

Employees Groups

Bonnell's Auto Group

Starbucks

TCS



Dr. Jay D. Badams
Superintendent of Schools

Nancy Sadaly
Assistant Superintendent

Board of School Directors
Robert S. Casillo
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Mary Frances Schenley
Thomas A. Spagel

Robin J. Smith
Secretary

June 14, 2016

Mr. Perry Wood
Executive Director
Erie County Gaming Revenue Authority
5340 Fryling Road, Suite 201
Erie, PA 16510

Dear Perry:

I am writing in support of a funding request submitted by ServErie for the "Help Our Schools" project that they are undertaking this summer. Erie's Public Schools is immensely grateful for the work that ServErie is organizing through this initiative at Lincoln Elementary School.

As has been well documented, the financial crisis currently facing the district has left many of our buildings in disrepair. ServErie's volunteer efforts at Lincoln this summer will ensure that over 500 students and teachers return in August to an updated and repaired school building, which would simply not be possible without their efforts.

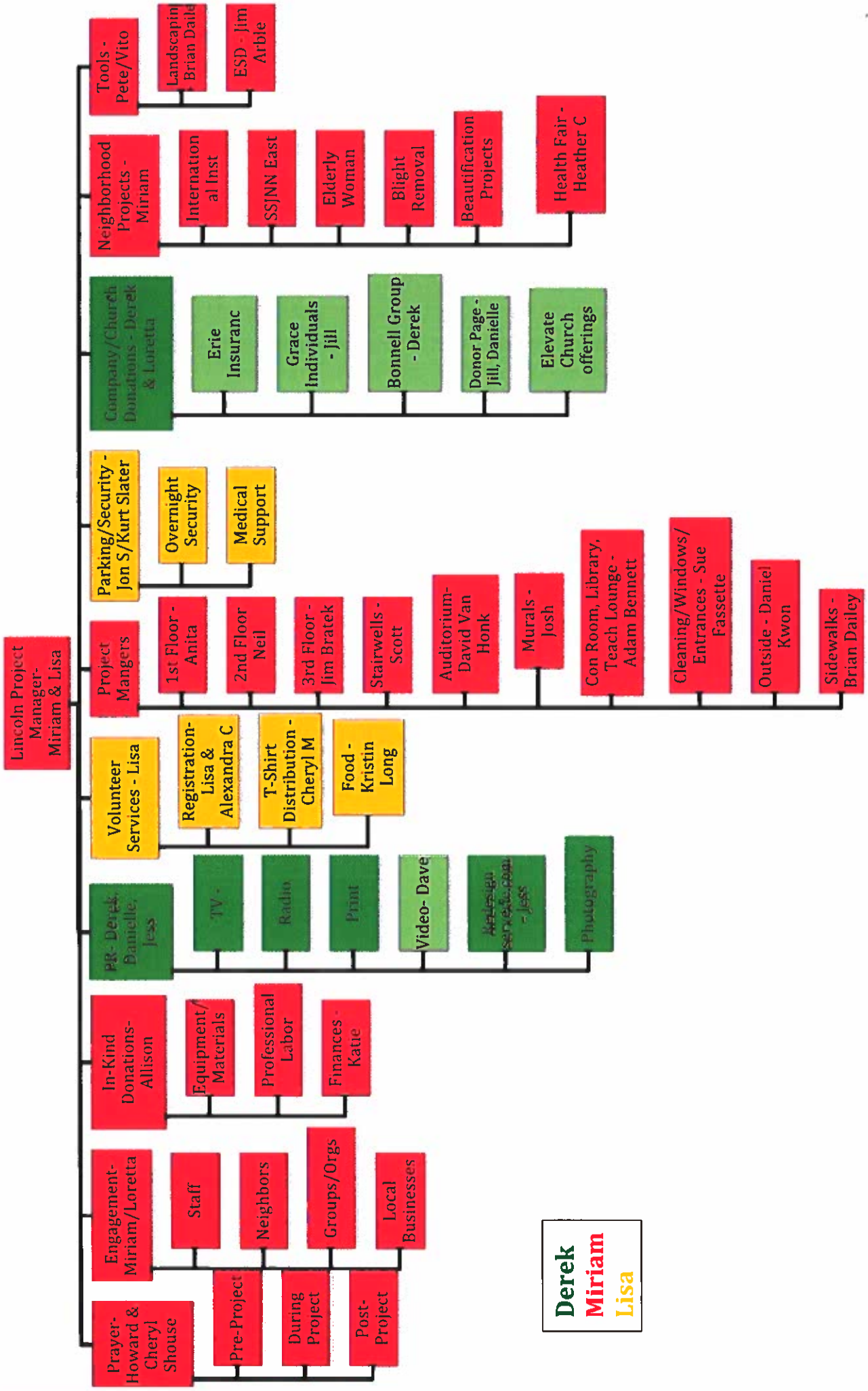
Please do not hesitate to contact me at 814-874-6000 or jbadams@eriesd.org if you require additional information. Thank you for your assistance in this matter.

Sincerely,

Dr. Jay D. Badams
Superintendent of School

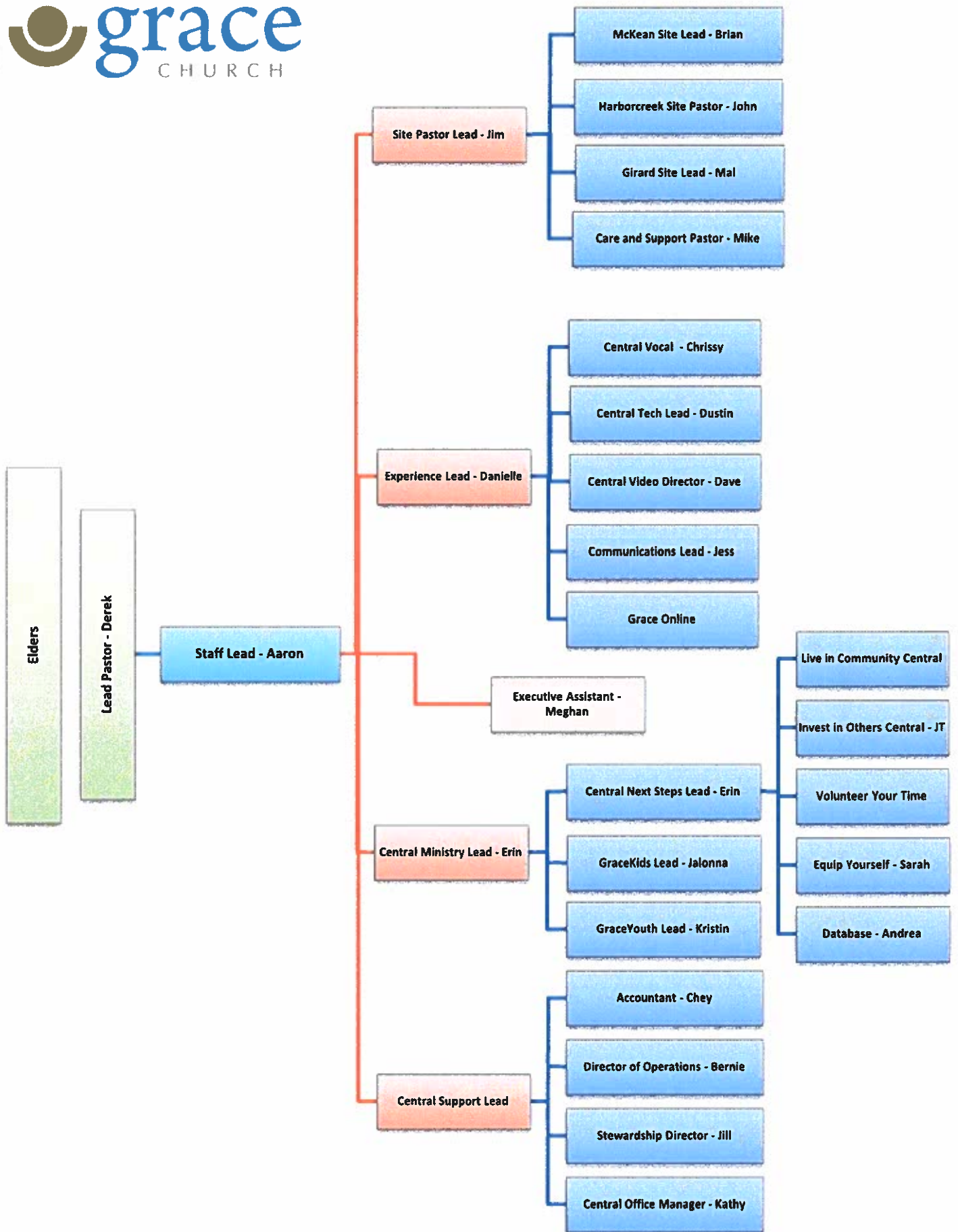
Erie's Public Schools
148 West 21st Street
Erie, PA 16502-2834
P: 814.874.6000
F: 814.874.6049
www.eriesd.org

APPENDIX E : ServErie- Help Our Schools Organization Chart



Derek
Miriam
Lisa

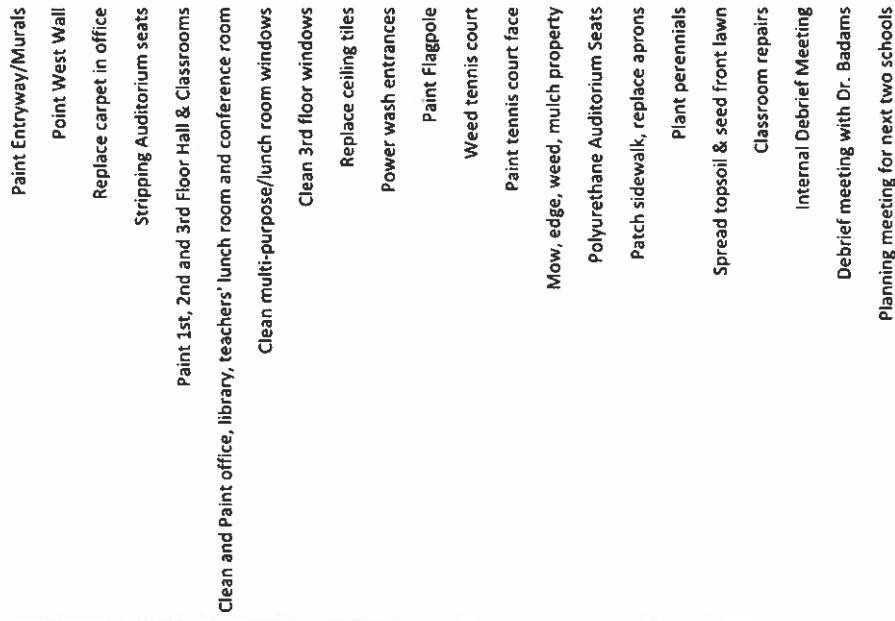
APPENDIX F: Organizational Chart Grace Church



APPENDIX G: Timeline

ServErie Timeline - Help Our Schools: Lincoln School Project

5/30/2016 6/11/2016 6/23/2016 7/5/2016 7/17/2016 7/29/2016 8/10/2016 8/22/2016 9/3/2016 9/15/2016 9/27/2016



APPENDIX G: Timeline

ServErie Timeline - Help Our Schools: Lincoln School Project

Task Name	Start	End
Paint and Repair 4 Stairwells	6/15/2016	7/9/2016
Paint Entryway/Murals	6/15/2016	6/16/2016
Point West Wall	6/18/2016	7/9/2016
Replace carpet in office	7/1/2016	7/15/2016
Stripping Auditorium seats	7/9/2016	7/15/2016
Paint 1st, 2nd and 3rd Floor Hall & Classrooms	7/15/2016	7/17/2016
Clean and Paint office, library, teachers' lunch room and conference room	7/15/2016	7/17/2016
Clean multi-purpose/lunch room windows	7/15/2016	7/17/2016
Clean 3rd floor windows	7/15/2016	7/15/2016
Replace ceiling tiles	7/15/2016	7/17/2016
Power wash entrances	7/15/2016	7/17/2016
Paint Flagpole	7/15/2016	7/17/2016
Weed tennis court	7/15/2016	7/17/2016
Paint tennis court face	7/15/2016	7/15/2016
Mow, edge, weed, mulch property	7/15/2016	7/16/2016
Polyurethane Auditorium Seats	7/16/2016	7/17/2016
Patch sidewalk, replace aprons	7/16/2016	7/17/2016
Plant perennials	7/16/2016	7/16/2016
Spread topsoil & seed front lawn	7/17/2016	7/17/2016
Classroom repairs	7/17/2016	7/17/2016
Internal Debrief Meeting	7/20/2016	7/30/2016
Debrief meeting with Dr. Badams	8/1/2016	8/15/2016
Planning meeting for next two schools	9/1/2016	9/15/2016

