



MEETING OF THE BOARD OF DIRECTORS
Watson-Curtze Mansion; 356 West 6th Street; Erie 16507
December 8, 2016
8:30 a.m.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES – November 2016
5. COMMENTS BY CHAIRMAN
6. PUBLIC COMMENT
7. PRESENTATIONS
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
12. NEW BUSINESS
 - a. Resolution No. 22, 2016 – Resolution to enter into agreements with three applicants to the Mission Main Street Grant program
 - b. Resolution No. 23, 2016 – Resolution to disburse a blended funding model for Erie County's 9 Lead Assets
 - c. Resolution No. 24, 2016 – Resolution to approve the employment contract of the Executive Director
 - d. Resolution No. 25, 2016 – Resolution to approve the 2017 Finance and Board Meetings Schedule
13. ADJOURNMENT

14. PRESS CONFERENCE @ 10:30 a.m. – Lead Assets Endowment Funding of \$646,814

Next Regularly Scheduled Finance and Board Meetings of ECGRA

Date: Thursday, January 12, 2017
Time: 8:00 a.m.
Location: Jordan Room; 5240 Knowledge Parkway; Erie, PA 16510



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
November 10, 2016

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on October 12, 2016 at 5240 Knowledge Parkway, Erie 16510. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Barney, Mr. Domino, Mr. Paris, Mr. Peters, Mr. Sample, Mr. Yapple, Mr. Breneman, Mr. Lee, Mr. Wachter, and Mr. Wood are also present.

APPROVAL OF THE AGENDA

Mr. Paris makes a motion to approve the agenda. Mr. Barney seconds the motion. Motion carries 6-0.

APPROVAL OF MINUTES – November 2016

Mr. Peters makes a motion to approve the minutes. Mr. Paris seconds the motion. Motion carries 6-0.

COMMENTS BY THE CHAIR

Certain state legislators are telling people that, "Everything is okay, and all of the rest of the state is going to be fashioned after Erie." So I think it's still very important that we all get out and give out the message of how important it is to keep some pressure on the legislators to try and get this gaming law straightened out as soon as possible, and that we don't run into any complacency. I was very concerned when I heard of it. Perry had occasion to attend the Industrial Roundtable and spoke of that too. There were 25-30 people at the meeting. They are trying to resurrect the roundtable to try and help things out, so it was very nice to see Perry there. Again, it's important that we keep applying pressure and keep everyone notified that this is not fixed and won't be fixed until it's signed, sealed, and delivered.

PUBLIC COMMENT

No comments.

PRESENTATIONS

Steve Brawley, President & CEO, Ben Franklin Technology Partners. Thank you and greetings from Ben Franklin to our partners here in Erie. If I could comment on your previous statement. I think the way that Erie County and the way that all of you have orchestrated the local share of the casino revenue has been remarkable. I've been very happy to talk about our partner in other parts of the state as a model to copy. If there is anything that we can do to help spread the word that this is the correct way of doing an activity like that, we're very happy to do so. Please let me know, and, obviously, I wish you the best of luck in getting this problem resolved.

I appreciate a little bit of time to talk with you today about the partnership that we have had for the last few years. Together we have created a new pool of capital for startup companies in Erie County, and I think that's really important. It's a really important first step in addressing what remains of two problems for us that we really need to look at.

Our objective is to have capital available for early-stage companies that are local, that is, locally driven. We need to encourage more startup companies in the community, and we need to make sure that the resources are available to the best that we can so that those companies can grow, create jobs, and create wealth in the community.

A few years ago, Ben Franklin Technology Partners, the center that I operate, along with your organization, partnered up to take a first step in creating a new pool of capital, which we call the "Erie Innovation Fund." Recently you have approved a second round of investment of \$500,000 in that Erie Innovation Fund, and we look forward to the check presentation today.

The issue that we're trying to address is one that we've seen time and time again – a company gets up, gets started, a person has mortgaged his house, maxed out credit cards, gone to friends and family, mom and dad, and asked for cash. Those resources can really only take them so far.

In addition, we've seen conventional sources of lending – banks, traditional economic development financing programs – which are oriented toward financing assets. So there is usually collateral behind what they can do. So, you're buying a building, some machinery and equipment, you're buying something that could be taken away in the event that things don't go exactly as planned.

What was missing was risk capital – capital that was tolerant of how high-risk starting a new company is, and understanding of how important that activity is and how it needs to be supported.

So what we were seeing in the community were fewer people who were taking that kind of risk, and few people that had the cash to actually get their startup company up and running. So, this project together has been an effort to put some dollars behind addressing that. And I think it has been successful so far.

The other issue that we found in Erie County, and this one is a real pisser, was when companies would get up and running, and I can think of one case in particular in the not-too-distant past, and they would need to be looking for capital to grow and to expand – they would have to look outside of the market place. They would have to go to New York, DC, Pittsburgh, Philly, or some other place – California – to find money to invest in that company and grow.

What happens then? Well, you can figure it out pretty quickly that we become a shopping zone in Central Pennsylvania and Northwest Pennsylvania, get a little bit of traction, and then end up being relocated to a different place to be closer to their investors.

One way we can put an anchor in that, one way we can help to add a little drag to keeping opportunities local, is to have as many sources of capital locally available as possible. If we can help

companies grow a little further, if we can help them get to the point that they have employees, roots in the community, then when that outside investment comes to the table, there's some disincentive to necessarily take it apart and loop it away, because you have a staff, and you have some roots, and talent, and investors in the community. So by having some capital to deploy locally, we can at least give people a running start and a first-line of defense against forces that might force that company to leave the market and pull out of the area.

In our partnership so far, we have a portfolio of 14 companies – 14 investment opportunities – that we've done between Ben Franklin and ECGRA through the Erie Innovation Fund. These are still really early, they're still really high-risk - you're not going to go and put your pension money in them right now - but they are making good traction. These companies are now in total employing over 100 people. They have north of \$10 million in sales, and they are getting to the point where they are becoming cash-flow positive – becoming stable, ongoing enterprises.

So far we've had three opportunities that just didn't make sense and were shut down. But out of that portfolio, that's a pretty good track record so far.

I would encourage you to continue to partner with us to do what we can to address this. I know we've built some strategies around filling other gaps in the capital that's available in this community, and I think that's a really important thing to do. We look forward to being your partner with that as it continues.

I'm happy to talk about any of the individual companies, and as the dollars that you give us today come forward, we have opportunities lined up to place that in.

Now, the message that we really want to get out on the street and get out to the public is – we're here. We need to encourage more folks who believe they have a good idea or a commercializable idea, regardless of their background, regardless of their education, regardless if they have ever done this before. Starting a company is a journey that anyone is capable of doing with the right assistance, the right guidance, and the right resources behind them. So the message, I believe, that we need to continue to plug and reinforce in our partnership is just that – let's get folks who might be working in a company somewhere in the community - it might be a doctor or a nurse at one of the local hospitals, it might be a student coming out of an academic institution – if they have an idea they believe has commercial potential, we want them to pick up the phone; we want them to come to us at Ben Franklin and the Erie Innovation Fund and let us help them explore that possibility.

We need to double or triple the number of startups that we're seeing in this community. The 14 that we have right now – good examples, some bad examples, but we have a stable to point to. We need to significantly increase that number if we're going to make Erie the robust place and the robust place for startups that we want to see in the future, and to replace jobs that are being lost in other areas of the economy. The money is here, the support is here, and we really need to spread the word and encourage folks to take advantage of that.

Mr. Barney: You said 14. We had 17? You said three didn't make it.

Mr. Brawley: We have a portfolio of 14. Three of those 14 are no longer viable.

Mr. Wachter: Do you have any data with respect to those jobs? Are they family sustaining jobs? Are they \$9-an-hour jobs?

Mr. Brawley: We are actually going to be doing our annual impact survey coming up in December and January. So I will have actual current, up-to-the-minute data on employment and on the wage levels about a month from now.

Mr. Wachter: Do you have geographic data with respect to where those companies are located?

Mr. Brawley: Yes.

Mr. Wachter: Are they city? Are they county? Are they a mix?

Mr. Brawley: It's a mix of city and county.

Mr. Wachter: I think it would be helpful to this Authority to have that information. I know that you're going to be considering a resolution later in the meeting to do an economic impact study. As you go back to your county council members and discuss the operations of the Authority, I think it would be very helpful to know where those jobs are located. You can advocate for an impact that they otherwise wouldn't hear about.

Mr. Peters: As I suspect, everyone remembers that I've been on the Ben Franklin Central and Northern Pennsylvania board for a number of years, and a few years ago my colleagues there put my name in the hat to serve on the Ben Franklin Technology Development Authority at the Commonwealth, which funds the four regional Ben Franklin offices. Steve, I think it would be helpful for everyone here to also understand that you, at Ben Franklin, at all of the Ben Franklins, like us at the Gaming Authority, do need the Commonwealth support. Maybe you could talk a little bit about how the funding streams, other than from us, have been challenged over the years. I think that speaks to why you've gone and selected other partners to invest, beyond just the Commonwealth.

Mr. Brawley: As Chuck mentioned, we're one of four Ben Franklin Technology Centers in the Commonwealth of Pennsylvania. There's a center in Philly, a center in Pittsburgh called "Innovation Works," a center in the Lehigh Valley covering Northeastern Pennsylvania, and our center covering Northwestern and Central PA. We work with companies and local startups across a 32-county footprint going from Erie to the Harrisburg-Lancaster-York market. Historically, the Commonwealth of Pennsylvania had provided the four Ben Franklin centers with approximately \$7 million a year in funding to put into startup companies and startup services. Through the recession and the challenges on the Commonwealth revenue, that number decreased by about 50%. So our conventional Ben Franklin line item for the 32 counties in which we're putting money, dropped to about \$3.5 million. This is a completely unsustainable, inappropriate amount of money for the activity of trying to generate more early-stage startup companies.

The other thing that made it a double whammy was, especially during the recession, encouraging folks to hang out their own shingle, create their own jobs, create their own businesses - that's exactly the time you want to be doing those types of activities because you need them the most. In some respects, the Commonwealth was, unfortunately, in the position to have to eat its own seed corn. It was not making the appropriate investments in this activity.

The good news is, fortunately, we have been able to find a number of other funding streams to help augment that and to keep some of the pain out. The last thing I want to do and the last thing our staff want to do is tell someone who comes in the door, who has just maxed out their credit cards, mortgaged their house, and borrowed from grandma, that we're not in a position to support them. We can't be turning away any opportunity because we need all of them.

We were able to find supplemental funding from a couple of sources - a tax credit program, some funding from the feds, and, obviously, this partnership here with ECGRA. Over the last few years, part of the good news is, by you making your investment in the Erie Innovation Fund together, you have forced, although I'm happy to do it, the commitment of our matching Ben Franklin resources. I've been putting the dollars into the Erie Innovation Fund and Erie County at a higher level than what we would normally be able to do given the resources that we have. Our partnership together has assured that you have gotten a larger slice of BF dollars, as well as the follow-on dollars that have come from other investors.

Mr. Peters: I think that's super important and it's worth saying again. Steve Brawley's Ben Franklin center located in State College has no requirement of the Commonwealth to invest equally into these 32 counties. It looks for the best deals and invests. By us putting in this additional half million and the money before that, it does now say, "Steve, you've got to commit to this amount of money at least to Erie." So, even though the Commonwealth doesn't make Steve do that, we've been able to make him to it.

Mr. Brawley: The moral obligation is always there. Frankly, if we were together funding double deals in this marketplace – once again, I think we need them – but, let's bite off one problem at a time, get some track record, and get some success, and move forward.

Mr. Peters: The last comment I'd make is a follow-up to Tim's, which is, where are these investments happening? Are they happening in the city, or are they happening in the county, or are they happening in both? And I think, just to prepare everyone for when Steve's impact study is done in February and we look at these numbers, there is going to be more of them in the city than in the county. There's a reason for that. Universities are in the city primarily, and most of the incubation and acceleration programs, whether it's Gannon's or what's going on here with Penn State with the innovation beehive, it's just a reality. If you go look at what happens with technology startup companies across the country, they're in dense, urban environments. So, although we are a county-wide Authority and have to be aware of that, we wouldn't want to put undue burden on Steve's group to say, "Well, we want equal distribution amongst the seven districts," because we won't have the opportunities.

Mr. Brawley: And I think the partnership we all have with Gannon and the Erie Technology Incubator as one of the options for companies for space just reinforces that.

Mr. Wood: I just have a comment more than a question. If you want to react to it, feel free to. Having worked with and been around Ben Franklin for the last decade now, it is clear that this model is one of the most important models in the country we have seen in technology-based economic development. States, nonprofits, and foundations all across the country have been replicating it for a long time. So it's great to have it be a Pennsylvania-started program with the rest of the country, and in many cases, the rest of the world, looking at it as a model.

Mr. Brawley: No other county is doing what you guys are doing in this partnership, and I think that's worth pointing out, obviously, as we do the lobbying that we need to do to make sure that things work out well for you. I think this is something that we have to point out - that you guys have the foresight to make these kinds of investments and that none of the other counties have.

Mr. Wachter: Is that something that our county has been advertising throughout the Commonwealth of Pennsylvania?

Mr. Wood: What's the question? Are we advertising ourselves?

Mr. Wachter: Yes. Not just the Gaming Authority, but that Erie County has an economic ecosystem which is head and shoulders above the rest with respect to certain industries; and how do you capitalize on that to attract businesses when they are trying to determine where they are going to locate when they start up? How do you get them into Erie County?

Mr. Brawley: I would say, "No." No one has the resources to do the level of marketing that we all wish we could do collectively. I think that's a problem. I think it's an internal problem, even local, that this message isn't out there enough that the community is willing, able, and there to support these types of activities. I know that we don't have the dollars to do that level of marketing.

Mr. Peters: It's more of a direct sales approach. I know that the local director here has talked about, "Hey, let's look at Buffalo's 43 North program," which is the country's largest business plan competition, and look at how can we get some of those folks that don't win that to look just a little... Now I can tell you just from firsthand knowledge in working with the medical campus up there, which hosts the competition and the facility for the businesses that win, what they've seen is that the minute the funding dries up, those companies are out. When you're that big of a business plan competition – the winner gets a million bucks, and then there's \$4 million in second prizes, and there's no claw-back provision if you leave – they stay for the minimal year, and then they bolt. That's happened to them repeatedly. Ben Franklin has hooks – "Look, it's America, and we can't make you stay here if you don't want to stay, but if you do leave, you gotta pay back."

Mr. Brawley: We have not had great success from the recruitment standpoint. When folks have come in and come in for BF money, this isn't just an Erie problem, this is across our footprint.

The stickiness of relocations has always been an issue. I would take three home-grown any day of the week over somebody who is coming in just because they won our competition or have applied. The flipside is that every once in a while you roll the dice and you come up with seven. It's not something to be completely ignored, but I think it would be better trying to find someone within the hospitals, within GE, within some of the existing company bases, within LECOM, anywhere, that there are lots of smart people that have commercializable ideas, and they aren't just quite aware of what to do with them.

Mr. Wood: So, to Tim's point about marketing or outreach, one of the things that we have often talked about is outreach in the small business financing ecosystem. When we make mission-related investments like we do with Ben Franklin, that there's a technical assistance component. And that component of hand-holding, central to the ecosystem, is often where you get your most outreach and recognition, and, therefore, indirect marketing, because there are resources in-house available for transformations, but also how the technical assistance process has evolved. Ben Franklin has TechCelerators in other parts of the state. We don't necessarily have it here, but we're talking about maybe bringing it here. Do you want to bring that up?

Mr. Brawley: Sure. This goes back to the issue of, again, trying to have as robust of an ecosystem as possible and encourage more startups. We have internally a group called "Transformations." Think of it as an internal management team. Since we know a lot of founders aren't coming forward with somebody who knows finance and somebody who knows HR, somebody who knows market research – we have an internal group of people who have varied, significant, private-sector experience in those functions that we surround the entrepreneur with.

So we don't expect somebody to come in and know how to do appropriate market study, and know how to do financial projection. We have folks that will actually get their hands dirty and work with our prospects and work with our companies to fill in the blanks, fill in the gaps in the management, until those companies are in a position to be able to look for the types of skills and the types of folks they need around the table. That's a really important part of the portfolio and an important part of what we do. There are the dollars, but we also surround them with the appropriate assistance.

Every company that comes into us and that we are considering for funding, regardless of whether we fund them or not, will get a pretty extensive market study done; they will get some financial projections done. So, even if we are not able to take care of them, we want those folks to leave better educated and have more data at their disposal than they did coming into the door.

A continuation of that was, in a few communities we have started a series of boot camps which we call the "TechCelerator." It is a 10-week intensive program for somebody who thinks they have an idea but doesn't really know what to do with it, to go through a series of lean startup activities to get to the point where at the end of this 10 weeks they can make an educated "go" or "no-go" decision.

We're not going to turn you into an MBA in 10 weeks, but at the end of it, you will now have done some exploration. We will have helped you discover the financial implications. At the end of that we want you to be in a better position where you can say, "You know what? This isn't such a scary process for me. I can actually do this." A subset of those folks we want to launch into the next round of companies.

We've been doing that for a while in State College, in the Harrisburg-Carlisle market, and it's been working out pretty well. We have found folks that didn't wake up one morning and say, "Gee, I want to have a business," that are now getting it and understanding, "Oh, OK. Now I get it. I've talked to customers. I now know that I thought I was going to be able to sell this, but what the customers really want is this." They are able to jump on board with this process in a way that they weren't before. And, obviously, we hope we can put some dollars in some investment capital into this.

As Perry mentioned, there have been elements of this already existing in Erie County through things like the Small Business Development Center, and the Gannon Incubator. They've been doing a really good job of helping folks with the debt discovery process. But we're actually having

conversations with them right now about how we can help take what we learn in the TechCelerator activities, add it to what they've already created here locally in Erie County, and do an Erie County version of TechCelerator that is better than what either of us could have done on our own.

More details to come, and it would be great to have your participation in that activity if we decide to roll it out. I really do think there are places to go fishing for new, prospective business owners that no one is looking at right now. Having a system in place to do it will bear some fruit for all of us.

COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Peters: There are a couple of things I want to go over today. I'm going to go through the financials pretty rapidly because I want to talk about two other topics – one being the Endowment. You have on the SharePoint site our typical P&L balance sheet. I'm going to come back to the balance sheet later. And then our statement of cash flows, our actual budget comparison, and the check register.

Let's start with P&L. Any questions on that? Funds come as funds come. You all know how that works. It's not a smooth process where we get money every month – it's quarterly. Generally, no big, unusual changes in what we're doing from a day-to-day or month-to-month standpoint. We're tracking properly with the budget. I have no concerns, if that helps. You continue to see some of the changes we made a few months ago with how we're putting items on the balance sheet to show up our committed and uncommitted funds, as well as anything that we've restricted, and then the money that we have in the ErieBank savings account. Once a year or so someone will ask me why we have so much money in a savings account, and I like to remind everyone that we have to have our funds in a fully collateralized account. These are taxpayer dollars, and, therefore, not able to be directly invested into the equities market. That's why you see that in there.

You'll see, of course, the notes, which we changed a few months ago. Everyone should be used to seeing how we've broken out the notes receivable. Any questions on the traditional part of the financial report?

The last comment I'll make is on the check detail. I've had folks on this board ask me about the Visa bill in the past. Before those checks get signed, I review them (or the chair or secretary does). We review and initial them, and the process has been going well.

Mr. Barney makes a motion to approve the financial reports. Mr. Yapple seconds. Motion carries 6-0.

The second thing I want to go over is more about the Endowment. I suspect at some point we will have the Foundation come and present this more formally. You'll recall last year or the beginning of this year we entered into an agreement with the Lead Assets regarding how we would operate the Endowment. At times it was a bit contentious, but we got through that agreement, and one of the things that we, as an Authority, committed to doing was to facilitate a meeting where the Lead Assets could have a presentation made by the Community Foundation regarding the performance of the Endowment.

Perry and I had that meeting with the Lead Assets. I'm happy to report that I think we had full participation from the Lead Assets. Nothing contentious. Lots of good, solid questions, and I'll get into the report in a minute. In general, it was a productive and positive meeting. There are a couple of things that they typically question. If you recall, all the way back to our framework, we had projected out what the Endowment would be and what the return on that Endowment would be to the Lead Assets.

When we entered into this new agreement with them, the settlement with them, and agreed to fund an additional \$1 million and create this little pool of funds should there be a

shortfall based on the size of the Endowment, what's happened is that the Foundation is recommending a 4% disbursement from the Endowment. That equals \$404,000, meaning that the little set-aside we created last year, the contingency fund, we will need to draw down on that to make up for the shortfall. This is the last time we've agreed to do that, but we're going to get them their \$646,000 that they're used to getting.

They seem to all understand that. They seem to understand how this process is going to work, and, although I think they are probably pretty anxious about being able to draw down that same amount next year, because the Foundation continues to...the biggest question that was asked was, "Can we get more than 4%?" That's going to be a challenge for them knowing that this contingency fund dries up, and we're all at the mercy now of the market.

The second piece to this agreement, the memorandum of understanding, is that we all decided to get out of the business of deciding how they would split that money amongst themselves. This is where it's going to get interesting, because their first meeting, without any of us, because it doesn't have anything to do with us at this point, where they're going to talk about how they're going to split it. Then they will come back to Perry, and we'll have to take action agreeing with that, because it still is within our control where it ultimately goes, but those Lead Assets have to work with one another, and I think they scheduled the meeting for November 14. It will be interesting to see how that works out.

What was presented to them, most importantly, was the two Endowments, and you can look at these and see the balances and where they stand. Endowment 1 is \$8.5 million, and Endowment 2 is just over \$4 million. Susannah went through and indicated that the Endowments' performance is middle of the road. They don't go for super safe investments; they don't go for super risky investments. They like to hit right in the middle. It's basically an index fund. So we've met targets to be able to put out that 4%.

I don't think we need to take action on that. I just wanted to share that we've lived up to our part of the agreement in working with them, and presenting, and thanks to Perry and Diane for pulling it all together, they seem genuinely appreciative.

Mr. Wachter: Mr. Peters, is that then accurate to read that the growth in that Endowment, merely through market activity, is about \$870,000?

Mr. Peters: Yes.

Mr. Wachter: How much cash did you ultimately put in?

Mr. Wood: We jump-started at \$5.2 million, made additional investments of \$1.2 million for a few years, and then \$1 million last year.

Mr. Wachter: So, say you put \$9 million in there, if you're rounding, you've got \$12.5; you've made distributions of \$400,000 last year; you'll make distributions of \$400,000 this year, and it's growing at a rate of about \$800,000 a year. So, if you start catching flak from the Lead Assets regarding that they don't have enough money, remind them that they're the only entity in this community that has an endowment that's growing at the rate of \$800,000 plus a year solely for their benefit.

Mr. Wood: Seven percent is the growth rate.

Mr. Peters: The other point is that it went from zero when we started this to where it's at now, and it is currently the second largest endowment at ECF, and that's in one of these reports that Susannah presented. United Way has \$16 million, and the ECGRA Endowment is \$12 million. The next closest is Mercyhurst Prep at \$3.9 million. So, when you look at the top 20, the smallest in the top 20 is \$300,000. Any time they get touchy or antsy with us, I think it's important to remind them of this slot. You had zero when we started this. We were under no obligation to go beyond what we were obligated to do, and yet we still did it because we believe strongly in supporting the Lead Assets. But, when next year there is a shortfall between the \$400,000 and the \$600,000 that they're used to getting, and they come back

knocking on our door, we're going to have to think long and hard about the fact that we're an economic development authority. Should we be looking more at, and not to put Steve, who happens to be sitting here, in the middle of it, but are we to be looking more at direct investments in companies, or should we continue to build a war chest? So, I think that that's important.

The other one is this other presentation, which is from Cambridge Associates, who manages the money. If you go to the second from the last page this shows us where...the dark blue is where the ECF performs – right in the middle of the index.

So, with that said, I don't think there's any action that needs to be taken. I just wanted you to know that Perry and Diane did a great job, along with Susannah, in making sure the Lead Assets were there. It did bring up one question that I want the board to be aware of, that Diane and I and Perry are looking into, and that is, with our balance sheet...you'll notice there are two endowments. They were set up differently. The only thing that matters in that piece of this discussion is that as such, we have to make sure that we're accounting for them appropriately within our financials, and there's some question as to whether the second endowment may need to show up on our balance sheet.

It's the difference between a donor-advised fund and an agency fund. The first is a donor-advised endowment; the second endowment is an agency endowment. So there are some IRS rules and some accounting rules that we have to be aware of. Diane and I and Perry will be talking with Felix and Gloekler about that. In the future you may see a change to our balance sheet in that the second endowment may need to show up on it. I just wanted you all to be aware so that as we go through the research there's no surprise.

Mr. Sample: We have tried to warn the Lead Assets of complacency. For the last three years we've tried to tell them that they need to go out and start getting themselves a buffer, because we're not always going to be there. I think part of the reason they held onto us for so long is that they are more afraid of themselves than they are of us. So now that the division of assets has to come down, it's very monumental to some, others can live without it. I think Perry, Diane, and everybody has done a great job of letting them know we are going to wean them at some point. Every time they keep coming back. Perry, there was some statement a couple of them had not signed. Did you get those?

Mr. Wood: Just to bring everybody back in time here for a second, there are two levels of forms that we asked for. The first was when we created the contingency in April of this year, we asked them to sign a release and acknowledgement which Tim put together. Everyone signed a release and acknowledgement. It was predicated on whether or not they would receive 2016 funding. Of course, they all did, and they all did receive funding.

In preparation for this meeting which was to fulfill our obligation to the MOU, which was to have an organized meeting with them and to provide them with a dollar figure as to the size of their distribution, in preparation for the research we found that several of them had not signed the MOU, which was to be signed in June of 2016. However, at this point, all of them have signed the MOU, and, therefore, we can move forward and executive fully on those covenants.

Mr. Sample: We did not want to become contentious with them, but it was part of the agreement. I'm sure it was just an oversight.

Mr. Barney: When do we have to revisit data, or when do they have to resign, or is this it?

Mr. Wachter: We're done.

Mr. Barney: OK.

Mr. Wood: The MOU establishes the roles and responsibilities that they have and that we have and lays it out very clearly. Tim and I spent a lot of time putting that document

together and bouncing it back and forth between all parties involved to make sure that it would not have to be revised. So there's a level of flexibility built into it, but most importantly, there's clarity built into it.

Mr. Peters: What we will have to do as a board is take action. On the 14th they'll meet. My prediction is, by the way, that they will decide to distribute the funds the exact same way they have been being distributed, because I think they are all going to look at say, Mercyhurst, and say, "Wait. We don't think you should get as much," and there's going to be a fight. So my guess is that they'll continue to distribute the same way that it has been being distributed, but we will have to take action on that, and that will be at our December board meeting, because we've typically disbursed in December, and they all need their money.

Mr. Wood: That is correct. So our obligation was to provide them with what is known as the "Available Annual Distribution," the amount of dough, in other words, by November 4. We executed on that. Then their job as an advisory committee is to provide us with the distribution formula no later than December 1 so that it's at least a week in advance of our December board meeting. As soon as we get their recommendation, we will be distributing that information to the board so there can be discussion at our December board meeting. If there are no objections prior to the board meeting, we will move forward with a resolution at that board meeting and disburse those checks by December 31.

Mr. Sample: And the only thing they're going to do is tell us how they are disbursing it. We're giving them an amount. They can't exceed that amount.

Mr. Lee: In reference to the partnership, and this may be for you, Perry, that we have with The Erie Community Foundation, is that something we need to revisit? From a historical perspective, can you give me a little update about that?

Mr. Peters: I'll take that. So, the Endowment is irrevocable; so there is really nothing to revisit. It's their money at this point.

Mr. Wood: There's an important distinction. The Community Foundation is not a money manager. They're not a financial advisor. So when you make a gift to The Erie Community Foundation, it is just that – it's a gift. It's an irrevocable gift. That's why all of our audits always reflect that these are irrevocable gifts.

Mr. Peters: And there was a reason that this Authority set things up that way. It was to – and I'm going to be very direct, and I know that will be on the record – avoid political whims. Again, for the record, prior to me being on this board even, Dave, Dave, and Mike were all in the position of believing that the County was going to use their portion to fund the Lead Assets, which the County did for exactly one year. And then political whims happened and other needs arose, and they said, "Forget it." And it left the Lead Assets counting on money, created a significant amount of political pressure on this Authority to come up with a way to deal with this, and, at the time, those then seated at county council as well as in the county executive's office, really wanted us to hand over money without any rhyme or reason, which has typically been the elected officials' approach.

This Authority exercised great restraint, did significant research, brought in BNY Mellon, RBC, PNC, and several other groups, and we did significant analysis. We also did analysis on whether or not we should create our own endowment, controlled by this Authority, or go to an organization like The Erie Community Foundation. And we looked at one other foundation, which wasn't local, and that didn't pass muster. It got thrown to the wayside pretty quickly. One of the banks had it. Maybe it was PNC. PNC had a group similar to The Erie Community Foundation, but we decided not to do that.

But the point, and sorry for all the long-windedness, the point is, we did not want these funds to be subject to political whims. That is why we set these up the way we set them up at The Community Foundation. There are two different types of funds, as I mentioned earlier.

There is the donor-advised fund, which is the first pool of money, currently at \$8.5 million. That is 100% irrevocable. That is not our money. It hasn't been our money since 2011, or whenever we did this. There is no looking into any of that. Now how that money gets managed, which is a separate question, the Foundation does have an investment committee – it's the former CFO of Erie Insurance; it's a lot of pretty sophisticated financial minds that are in that group - they could theoretically say, "You know what? We use Cambridge Associates to manage our money. We don't like Cambridge; let's pick someone else." But that is entirely up to the Foundation, because they pool those funds together to reduce fees.

Mr. Lee: The money that we have in this particular fund, is this only for Lead Assets?

Mr. Peters: It is only for Lead Assets, which was part of the settlement, which was made in December, 2010.

Mr. Sample: I think it's important to note that initially we set up with PNC because of political pressure and found out that we were in violation of the gaming laws the way that was set up. It had to be set up with someone like The Erie Community Foundation.

Mr. Peters: And then further, originally it was in PNC before the endowments were created, just kind of sitting there. Then when the endowments were created, we also said to the Foundation, "We want you to keep our money separate and at PNC," because there was significant political pressure to keep the money at PNC. Over the years we've been able to say, "No, no." Cambridge Associates manages this money, and where they put this money is up to the investment committee of the Community Foundation. I believe that I'm accurate in saying that on the \$8.5 million in particular we have absolutely nothing to revisit other than, as a donor-advised fund, the Foundation has made it its practice to do what donors are advising. It's not good business for them to have someone donate a whole bucket load of money and then have them not listen to us as to where we want it to go. But for tax purposes, Gary, it's important to note that we make advisements to the Foundation as to how to go forward with this. We don't control the money.

Now the second fund, the agency fund, is slightly different. I don't want to commandeer the whole meeting. The agency fund goes back to the balance sheet question and how we carry that, because there are some different IRS rules on that. In general, I think it's appropriate to say that there's not much to revisit, other than we do, as the treasurer, and Mike did before me, hear from the investment committee. So we understand what it is they're doing with our money, but it's not just our money, it's the whole pool of the \$250-\$280 million they have under management.

Mr. Wachter: We also have other partnerships with the Community Foundation as well, not just through the Endowment.

Mr. Peters: Correct. That is also a good distinction. We have the Shaping Tomorrow Grants, and this was our second year of doing those. But that does not come out of the Endowment.

Mr. Lee: In reference to that, and I don't want to take the whole meeting, but in reference to Shaping Tomorrow, what type of agreement are we required to set up with The Erie Community Foundation, or do we have one, from a clarification standpoint?

Mr. Sample: We just made an investment.

Mr. Wood: Yes. That's a grantmaking process. So what happens is we set up agreements with the grantmaking entity over a three-year period of what we're funding, what the draw-down would be...it's really the same process ECGRA goes through with every grantee that we do internally, except there are two agreements rather than one.

Mr. Sample: This year we ear-marked "x" amount of dollars to be drawn-down over three years. We committed those funds, so we don't have access to them until they either perform or don't perform.

Mr. Lee: But we have input to select who is going to be receiving them?

Mr. Wood: Right. Remember the binders that I handed out for Shaping Tomorrow?

Mr. Lee: I missed the last meeting.

Mr. Wood: The board all got Shaping Tomorrow binders with all of the grant applications in them. It's a big, long, three-month process, really a year-long process that culminates in a three-month process in which the board reviews Shaping Tomorrow Grant applications, and then the chairman appoints a committee to collaborate with The Erie Community Foundation board of directors, and then the two see presentations from finalists. That is a really Cliff-noted version of a very long process.

Mr. Sample: We actually took two days to go through the process.

Mr. Peters: It's a shame you weren't able to be at last month's meeting, because there was significant discussion about each of those grants that we made.

Mr. Lee: I was out of town that day.

Mr. Peters: I was just thinking it was a big one because there was a press conference, and, obviously, we're partnering with the Foundation.

Mr. Sample: And it was with the Hagen Fund, the community college and all that.

Mr. Wood: I'd like to round out the treasurer's report with the dashboard. The third quarter dollars did come in. In tracking with the trends that we've been seeing – when the first quarter dollars came in we thought there was some stability, that there might even be a reverse of the trend of decline. However, in the second quarter we saw a slight decline. So we saw a slight increase in the first, a slight decline in the second, and in the third, you can see revenue dropped \$40,000. This is consistent with the slow-trickle decline we've seen normally in the first three quarters. Of course the fourth quarter is always our biggest, because that is when the \$10 million minimum kicks in, and we should be receiving approximately the \$4.3 million that you see there. Overall revenues are projected to be slightly under what they were last year, and, of course, this is all dependent on whether or not the senate and the house actually pass the gaming fix, because at the end of January, this dedicated revenue expires if the house and senate do not pass a bill to continue it.

Mr. Wachter: Mr. Wood, if the house and senate do not pass a bill to continue the gaming law, however, you would still expect to receive your fourth quarter revenues?

Mr. Wood: That is correct. The stay from the supreme court to allow the decision to kick in expires at the end of January. And, of course, fourth-quarter revenues are calculated in January and distributed in February. That supreme court ruling doesn't affect the final true-up of the year – it's known as the "true-up," the \$10 million minimum. So that would be the last official check we would receive from the Department of Revenue if they don't fix the law.

- b. Regional Assets Committee – Mr. Wood: The regional assets committee did not meet, but, obviously, today is when the Mission Main Street applications are due. Everything has rolled out fine with the Summer Jobs Program. Human Services has continued to move forward on a quarterly basis. Special Events – no one has had any questions about Special Events funding. We do, at some point, want to have a discussion or revisit how we are doing Community Assets funding based upon disbursements. But other than that, the regional assets committee has been working like clockwork.
- c. Strategic Planning Committee – Nothing to report.
- d. Update from County Council – No updates, but I appreciated the article that was in the paper and the continued work and communication by the chair and our executive director as well.
- e. Update from County Executive's Office – No update, just we're glad we have EMTA behind us. We're looking to move onto some other critical issues in the region.

REPORT OF THE EXECUTIVE DIRECTOR

- Government Relations
- Local Gaming Share Fix
- Lead Assets
- Mission Main Street
- Metro 100 Activity

Government Relations

ECGRA's government relations efforts have been a top priority over the last two months. Energy has gone into the following efforts:

- Meetings in Harrisburg with key staffers and elected officials
- Regular communication with the Erie Delegation
- Keeping Local and County Officials abreast of new developments
- Communicating with our stakeholders in the nonprofit, municipal, and economic development sectors

Central to our strategy has been a communications plan that consists of the following components:

- Call to Action Letter Writing Campaign – I gave you a copy of the folks that have participated in that Call-to-Action campaign. I want to make sure that you know that these folks have reached out and have done their share as far as advocating on behalf of gaming share.
- Requests to call and email the Erie County Delegation
- Social Media penetration
- Interviews with local media
- Personal phone calls to grant recipients

Thus far, this effort has yielded the participation of 37 organizations, initiatives, or individuals that have written to the leadership in Harrisburg yielding 222 letters of support.

Our next step is crucial. The board has in front of it today a proposal to conduct an economic impact study quantifying the benefits of gaming funds to the regional economy. The study is reasonably priced, the timing is ideal, the team is expert, and the process itself has been a top recommendation from advisors. Economic impact studies are a recognized form of communication and considered for their objective qualities by Harrisburg leaders and officials. Resolution Number 21, 2016 is on today's agenda.

Local Gaming Share Fix

The Senate did pass a temporary fix that included a 6-month extension through HB 1887. During the 6 months, the \$10mm minimum would continue to flow to Summit & Erie County. The extension would begin January 1st and run through May 1st. The idea here was to extend the gaming funds so they could be part of the overall budget discussion for the next fiscal year. However, in the House's last working session of the year, they chose to amend the bill to include an expansion of gaming to include Internet Gaming. They sent this bill to the Senate. The Senate was already out of session. The result was that both bills died. There is one more session scheduled for the November, but this is purely for ceremonial purposes.

Lead Assets

On Thursday, November 3, 2016 at 2pm in the Intermodal Center Conference Room I met with the Lead Asset Executive Directors and their board chairs.

Prior to the meeting, I spoke with The Erie Community Foundation (ECF) about presenting the current

Lead Asset Endowment Fund Statements, the ECF investment approach, and the endowment's performance.

Per our operating MOU with the Lead Assets, ECGRA has consulted with The Erie Community Foundation on the Erie County Lead Asset Endowment. Their current endowment spending policy recommends a distribution of 4%, which equates to \$404,400 for 2017. In addition, 2017 is the last year that ECGRA has agreed to make a contingency fund available to make up for any shortfall. The contingency fund availability is \$242,414. The ECF figure and the contingency fund make up the "Available Annual Distribution Amount."

Here's how the Available Annual Distribution Amount was calculated in 2016:

	2016	2017
Endowment	367,669	404,400
Contingency	279,145	242,414
Total	646,814	646,814

The following are important dates in the MOU:

1. ECGRA provides the Lead Asset Advisory Committee the total Available Annual Distribution Amount no later than the close of business **November 4th**.
2. The Advisory Committee must provide ECGRA with the amount of distribution to each asset no later than **December 1st** (at least one week prior to our December board meeting).
3. Disbursements to the Lead Assets must be made no later than **December 31st**.
4. Performance reports and branding plans are to be submitted to ECGRA no later than **December 31st**. Amanda is in the process of finalizing the branding plans with all Lead Assets, and we have informed them that the final performance report for 2016 will come in the form a request for information that will help us with our economic impact study that I hope you will pass here today.

All of this was reviewed with the Lead Assets Advisory Committee on November 3rd. The next step is to receive a recommendation from the Committee on distribution. At that time, ECGRA would draw up a resolution for the board to discuss and potentially vote on in December.

Mission Main Street

As of yesterday, ECGRA received four applications for Mission Main Street. That's the lowest amount received since the program was created in 2013.

2013	8	Corry, North East, Erie Downtown, Girard Borough, Lawrence Park, Little Italy, Union City, Waterford Borough
2014	8	Corry, North East, Erie Downtown, Fort LeBoeuf, Girard Borough, McKean Borough, Union City, Waterford Borough
2015	9	Corry, North East, Erie Downtown, Erie Yesterday, Fort LeBoeuf, McKean Borough, SNOOPS, Union City, Wesleyville Borough
2016	4	Corry, Erie Downtown, North East, Little Italy

We're not sure why there has been a drop, but I can tell you that it's absolutely essential that we take a look at evaluating this program, talk to the stakeholders, and find out why it's been undersubscribed to in 2016.

Metro 100 Activity

There have been numerous conversations coming out of the Metro 100. From the proliferation of Tax Increment Financing in Pittsburgh to coordinating with our federal delegation on transportation

enhancement dollars, the message of public/private leverage in order to implement the Comp Plan has captured the imagination of leaders all across Erie County. As an example, the investment of several businesses in downtown Erie are mostly absent public investments. We need to continue to work on public incentives to turn distressed markets in the inner-city around and create economic development momentum. The large dollars to do this has always and will always come from government.

In summary,

- ECGRA's government relations efforts have been steady and will continue in the coming weeks
- We continue to communicate with the Erie delegation and Harrisburg leadership on the Local Share fix.
- If you see fit to approve the Economic Impact study, it will become a major focus of our efforts.
- ECGRA and the Lead Assets have fulfilled obligations set forth in the MOU governing our exchanges
- We expect to receive the Lead Asset Advisory Committee's recommendations for distribution prior to our December Board meeting
- Mission Main Street is due for a review. Although several main streets are stand out examples to follow, some smaller communities appear to be unable to participate in the program. Staff will need to perform an evaluation.
- Finally, the Buki Plan continues to capture the imagination of our community. It should play a significant role in the agenda of the next mayor. ECGRA needs to continue to have dialogue with the Metro 100 on how to engage in the Comp Plan's recommendations.

Mr. Peters: I have a couple of questions regarding your report, Perry. To Mission Main Street and the fact that there are only four, how big of a pool of money is that again?

Mr. Wood: Like all regional assets programs, it's \$150,000.

Mr. Peters: OK. And of the four that applied, how much did they ask for?

Mr. Wood: \$15,000 each; \$60,000 in all.

Mr. Sample: Is that a matching fund?

Mr. Wood: It is.

Mr. Sample: Is that quite possibly a part of the problem?

Mr. Wood: Quite possibly. I just don't want to draw those conclusions until I've interviewed them.

Mr. Peters: The follow-on question to that is you mentioned the Buki Plan and you mentioned that one of the groups applying is Little Italy. In the Buki Plan and his presentation last month, he largely said, "Look, move on from Little Italy. It's not going to happen," which was harsh. He said that about other neighborhoods as well. I guess there's not a question there. It's more of an observation. A point of discussion in the future should be, are the funding programs that we have that could contribute to the Buki Plan, are we going to go against the Buki Plan? Are we going to use limited resources to fund things that the Buki Plan says not to fund?

Mr. Wood: I would say two things in response to that. Number one, yes, that's a policy discussion that needs to take place as far as targeting investments – that's the way he would describe it. The second thing is the Buki Plan is only for the City of Erie, and Mission Main Street is a countywide program, so that should be taken into consideration as well.

Mr. Peters: Right. If Little Italy were in Corry, I might say something different about this. But, it's not. It's within the City of Erie. I went to the Erie Downtown annual meeting yesterday where they continued to talk about the districts and the amount of money they're going to need to promote the districts. You had the Buki Plan, in essence, agreeing with that concept, as far as I can tell. And we have a \$150,000 pool of money that we're clearly – even if we fund all four, there's still going to be excess funds available – and I guess what I'm really saying is that it sounds like your committee, Mike, probably needs to re-engage and talk about what is the

strategic planning committee's advice on how to proceed with some of these things. I don't want to create extra work, but I think...

Mr. Wood: I think I laid out in the report clearly the need to evaluate and examine some policies.

Mr. Breneman: I would suggest keeping an eye on the fact that there still is not an implementation team yet for the comprehensive plan, and any future investments by ECGRA or any other organization would follow that. I think it would be important for ECGRA to have a seat at the table in some form or fashion on that implementation team so that everything could be done in concert. That way, we're not putting the cart before the horse or being separate from the conversation.

Mr. Peters: Right. That's a great point.

SOLICITOR'S REPORT

OLD BUSINESS

NEW BUSINESS

Resolution No. 21, 2016 – Resolution to enter into agreement with Parker Philips, Inc., to conduct an economic impact study of ECGRA's grantmaking and impact investing. Mr. Wood reads into record Resolution No. 21, 2016.

Mr. Paris: How long of a process is this?

Mr. Wood: It's estimated to be a six-week process so that we can have it by close of December and it will be an immediate tool for us in government relations to present to folks in Harrisburg and to those who are making decisions about the future of gaming laws.

Mr. Paris: And they are fully committed to that timeframe?

Mr. Wood: The consultants are. The other piece of commitment is the ECGRA staff, the Summit Township supervisors, who have committed to being part of the study, as has Erie County Government, both from a county executive and county council standpoint.

Mr. Barney: How did we decide on Parker Philips to do it?

Mr. Wood: It began with a discussion with the gaming authority in Washington County. They had used a consultant from Pittsburgh to do an economic impact study. We have a very short window to get this done. I contacted that gentleman. He put together a team of folks, which became Parker Philips.

Mr. Sample: The biggest problem we had was the timeframe to get it done before the end of the year.

Mr. Wood: It was the sole solicitation.

Mr. Wachter: Which is appropriate for professional service.

Mr. Yapple makes a motion to approve the resolution. Mr. Barney seconds the motion. Motion carries 5-0-1. (Mr. Peters abstains due to having done business with the partners in the past.)

ADJOURNMENT

Mr. Paris moves to adjourn.

Erie County Gaming Revenue Authority
Profit & Loss
November 2016

	<u>November</u>	<u>YTD</u>	<u>Budget YTD</u>	<u>2016-17 Budget</u>
Ordinary Income/Expense				
Income				
44800 · Gaming Revenue	507,757.83	1,079,481.29		
46400 · Other Types of Income				
46410 · Interest Income - Savings	3,288.04	28,589.76		
46420 · Interest Income - EDF #1		11,405.33		
46421 · Interest Income - EDF #2		18,248.53		
46422 · Interest Income - BWC		21,916.67		
46429 · Endowment Income - Lead Assets		367,669.00		
Total Income	<u>511,045.87</u>	<u>1,527,310.58</u>		
Expense				
62100 · Contracted Services	12,518.70	49,618.10	58,066.67	87,100.00
62800 · Facilities & Equipment	6,303.48	17,806.96	21,600.00	32,400.00
65000 · Office Administration	9,465.90	31,221.80	28,533.33	42,800.00
65100 · Other Types of Expenses	3,373.09	118,027.25	176,000.00	264,000.00
66000 · Payroll Expenses	14,550.60	133,451.28	140,000.00	210,000.00
Total Expense	<u>46,211.77</u>	<u>350,125.39</u>	<u>424,200.00</u>	<u>636,300.00</u>
Net Ordinary Income	464,834.10	1,177,185.19		
Other Income/Expense				
70000 · Grants / Settlements				
70020 · Lead Assets Endowment		1,000,000.00		
70030 · Community Assets		151,640.00		
70040 · Lead Assets		646,812.00		
70050 · Municipal Settlements	126,939.46	269,870.35		
70060 · Human Services		118,946.00		
70070 · Special Events		167,108.00		
70090 · Multi-Municipal Collaboration		166,100.00		
70120 · Summer Jobs Program		150,000.00		
70150 · Shaping Tomorrow		37,500.00		
70160 · The Challenge	40,000.00	68,893.00		
Total 70000 · Grants / Settlements	<u>166,939.46</u>	<u>2,776,869.35</u>		
Net Other Income	(166,939.46)	(2,776,869.35)		
Net Income	<u>297,894.64</u>	<u>(1,599,684.16)</u>		

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

	November
ASSETS	
Current Assets	
Checking/Savings	
10000 · ErieBank - Checking	25,139.72
10100 · ErieBank - Savings	
10100 · Uncommitted Funds	4,773,807.74
10101 · Committed Funds	5,858,060.00
10102 · Restricted Funds	809,610.95
Total 10100 · ErieBank - Savings	11,441,478.69
Total Checking/Savings	11,466,618.41
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	1,580.00
Total Other Current Assets	2,351,580.00
Total Current Assets	13,818,198.41
TOTAL ASSETS	13,818,198.41
LIABILITIES & EQUITY	
Equity	
32000 · Unrestricted Net Assets	15,418,672.57
Net Income	(1,600,474.16)
Total Equity	13,818,198.41
TOTAL LIABILITIES & EQUITY	13,818,198.41



Erie County Gaming Revenue Authority
Statement of Cash Flows

November 2016

	<u>November</u>
OPERATING ACTIVITIES	
Net Income	297,894.64
Adjustments to reconcile Net Income to net cash provided by operations:	
14500 · Prepaid Insurance	790.00
Net cash provided by Operating Activities	<u>298,684.64</u>
Net cash increase for period	298,684.64
Cash at beginning of period	11,167,933.77
Cash at end of period	<u><u>11,466,618.41</u></u>



Erie County Gaming Revenue Authority
Budget vs. Actual
November 2016

Expense	November	YTD	Budget	Over/(Under) Budget	% of Budget
62100 · Contracted Services					
62110 · Accounting Fees	5,400.00	5,400.00	6,000.00	(600.00)	90.00%
62130 · Professional Services	3,742.20	26,276.40	45,000.00	(18,723.60)	58.39%
62140 · Legal Services	3,296.60	15,339.10	30,000.00	(14,660.90)	51.13%
62145 · Website Design	0.00	1,920.00	5,000.00	(3,080.00)	38.40%
62150 · Payroll Services	79.90	682.60	1,100.00	(417.40)	62.05%
Total 62100 · Contracted Services	12,518.70	49,618.10	87,100.00	(37,481.90)	56.97%
62800 · Facilities & Equipment					
62840 · Office Equipment & Furniture	4,916.59	5,301.54	10,000.00	(4,698.46)	53.02%
62850 · Janitorial Services	0.00	1,410.30	2,400.00	(989.70)	58.76%
62880 · CAM	0.00	0.00	2,000.00	(2,000.00)	0.00%
62890 · Rent	1,386.89	11,095.12	18,000.00	(6,904.88)	61.64%
Total 62800 · Facilities & Equipment	6,303.48	17,806.96	32,400.00	(14,593.04)	54.96%
65000 · Office Administration					
65010 · Books, Subscriptions, Dues	70.12	3,395.59	7,000.00	(3,604.41)	48.51%
65020 · Postage	15.99	377.92	500.00	(122.08)	75.58%
65030 · Printing	0.00	109.72	2,500.00	(2,390.28)	4.39%
65040 · Office Supplies	530.79	4,172.44	3,500.00	672.44	119.21%
65050 · Cell Phone	212.64	1,327.41	2,200.00	(872.59)	60.34%
65060 · Copier Lease	182.00	1,274.00	2,300.00	(1,026.00)	55.39%
65070 · Copier Printing Costs	1,550.16	3,512.30	3,000.00	512.30	117.08%
65080 · Bank Fees	0.00	0.00	50.00	(50.00)	0.00%
65085 · Training & Education	5,344.00	11,381.00	16,000.00	(4,619.00)	71.13%
65090 · Meeting Expenses	1,470.70	5,438.82	5,500.00	(61.18)	98.89%
65095 · Miscellaneous Expense	89.50	232.60	250.00	(17.40)	93.04%
Total 65000 · Office Administration	9,465.90	31,221.80	42,800.00	(11,578.20)	72.95%
65100 · Other Types of Expenses					
65105 · Communications	0.00	14,844.46	15,000.00	(155.54)	98.96%
65110 · Advertising	89.50	3,340.10	15,000.00	(11,659.90)	22.27%
65115 · Data Processing	1,155.41	11,833.69	17,000.00	(5,166.31)	69.61%
65120 · Insurance	790.00	5,530.00	10,000.00	(4,470.00)	55.30%
65150 · Travel	1,338.18	3,329.00	7,000.00	(3,671.00)	47.56%
65160 · Special Projects	0.00	79,150.00	200,000.00	(120,850.00)	39.58%
Total 65100 · Other Types of Expenses	3,373.09	118,027.25	264,000.00	(145,972.75)	44.71%
66000 · Payroll Expenses					
66005 · Salaries & Wages	13,168.56	120,964.53	188,100.00	(67,135.47)	64.31%
66010 · FITW Tax	1,007.40	9,253.83	14,500.00	(5,246.17)	63.82%
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	3,177.80	5,000.00	(1,822.20)	63.56%
Total 66000 · Payroll Expenses	14,550.60	133,451.28	210,000.00	(76,548.72)	63.55%
Total Expense	46,211.77	350,125.39	636,300.00	(286,174.61)	55.03%



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

	<u>November</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Uncommitted Funds	4,773,807.74		
Committed Funds	5,858,060.00		
2016 Restricted Funds:			
First Quarter Gaming Revenue (less 25%)		203,252.87	
Second Quarter Gaming Revenue (less 25%)		225,539.71	
Third Quarter Gaming Revenue (less 25%)	380,818.37	380,818.37	
Fourth Quarter Gaming Revenue		<u>0.00</u>	809,610.95
Disbursements:			
First Quarter Disbursements		2,096,730.98	
Second Quarter Disbursements		468,189.91	
Third Quarter Disbursements	166,939.46	211,948.46	
Fourth Quarter Disbursements		<u>0.00</u>	2,776,869.35

Disbursements Detail

Quality of Place

Community Assets

Albion Area Fair	8,160.00	
Asbury Woods Partnership, Inc.	8,352.00	
Common Ground Youth Center, Inc.	9,120.00	
Downtown Edinboro Art & Music Festival	8,736.00	
Edinboro Highland Games	8,928.00	
Erie PAL	9,173.00	
Gannon University	8,352.00	
Humane Society of NWPA	2,432.00	
Lake Erie Fanfare, Inc.	8,640.00	
Lawrence Park Historical Society	7,280.00	
LeBoeuf Little League	8,928.00	
Living in Fulfilled Excellence	5,248.00	
McDowell Band Aides	4,560.00	
McLane Little League	3,511.00	
North East Little League	5,100.00	
Presque Isle Partnership	8,448.00	
Robbins Blass Neighborhood Network	3,160.00	
Urban Erie Community Development Corporation	8,648.00	
Veterans Miracle Center Erie	8,448.00	
Waterford Community Fair Association	8,352.00	
Young Artists Debut Orchestra	<u>8,064.00</u>	151,640.00

Human Services

Bethany Outreach Center	14,000.00
Children's Miracle Network	10,937.00
Emma's Footprints	5,000.00
Erie School District	15,000.00
Gaudenzia Erie, Inc.	19,000.00

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

	<u>November</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Hamot Health Foundation		15,000.00	
John F. Kennedy Center		8,977.00	
Lake Erie College of Osteopathic Medicine		10,000.00	
Medical Associates of Erie		5,000.00	
Sarah Reed Senior Living		7,313.00	
Sisters of St. Joseph Neighborhood Network		8,719.00	118,946.00
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		<u>1,000,000.00</u>	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 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	

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

	<u>November</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
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	
Girard Township		7,500.00	
Jefferson Educational Society		100,000.00	
West Erie County Emergency Management Agency		21,100.00	166,100.00
Municipal Settlements			
Erie County	13,963.34	29,685.74	
Greene Township	13,963.34	29,685.74	
McKean Township	13,963.34	29,685.74	
Millcreek Township	13,963.34	29,685.74	
Summit Township	57,122.76	121,441.65	
Waterford Township	13,963.34	29,685.74	269,870.35
<u>Neighborhoods & Communities</u>			
Impact Corry			
Mission Main Street			
<u>Small Business - Ignite Erie</u>			
Industry+University			
Inner-city Small Business			
<u>Youth & Education</u>			
The Challenge			
Millcreek Education Foundation		17,933.00	
General McLane Foundation		10,960.00	
Corry Area School District Foundation	10,000.00	10,000.00	
The Partnership for Erie's Public Schools	30,000.00	30,000.00	
Shaping Tomorrow			
All About Character, Inc.		37,500.00	
Summer Jobs			
GECAC		150,000.00	256,393.00
Total Funds Disbursements	166,939.46	2,776,869.35	2,776,869.35

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

	<u>November</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Committed Funds:			
Ben Franklin Technology Partners Inc.		500,000.00	
The Challenge	(40,000.00)	62,227.00	
Enterprise Development Fund		500,000.00	
Shaping Tomorrow			
Empower Erie		400,000.00	
Erie's Public Schools - Tech After Hours//Community Schools		283,333.00	
Gannon University - Go College//East-West Bayfront Plan		112,500.00	
Primary Health Network		100,000.00	
Mercyhurst University - Innovation District		400,000.00	
Penn State, The Behrend College		500,000.00	
PennVenture Partners		2,000,000.00	
Progress Fund, The (voided check)	1,000,000.00	1,000,000.00	
Total Committed Funds	<u>960,000.00</u>	<u>5,858,060.00</u>	

Erie County Gaming Revenue Authority
Check Detail Report
November 2016

<u>Date</u>	<u>#</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
11/02/2016	1958	Diane Kuvshnikov	October Cell Phone & Mileage Reimbursement	-184.72
11/02/2016	1959	Eagle's Nest Leadership Corporation	Our Community Matters Dinner	-360.00
11/02/2016	1960	GreatAmerica Financial Services	October Billing	-332.00
11/02/2016	1961	Perry Wood	2016 Summer Tuition	-5,344.00
11/02/2016	1962	Tom M. Maggio	Jul-Sep Cell Phone/Mileage/Conference Reimbursement	-1,136.47
11/02/2016	1963	Velocity Network, Inc.	Nov Phones/Oct Copies/Dec IT & Internet	-2,215.07
11/03/2016	EFT	Fidelity Investments	10/15/16-10/28/16 Payroll Retirement	-408.47
11/04/2016	EFT	ECCA, Inc.	10/15/16-10/28/16 Payroll	-6,540.77
11/07/2016	1964	Erie County	2016 3rd Quarter Settlement	-13,963.34
11/07/2016	1965	Felix & Gloekler, PC	2015-16 Audit	-5,400.00
11/07/2016	1966	Greene Township	2016 3rd Quarter Settlement	-13,963.34
11/07/2016	1967	McKean Township	2016 3rd Quarter Settlement	-13,963.34
11/07/2016	1968	Millcreek Township	2016 3rd Quarter Settlement	-13,963.34
11/07/2016	1969	Summit Township	2016 3rd Quarter Settlement	-57,122.76
11/07/2016	1970	Waterford Township	2016 3rd Quarter Settlement	-13,963.34
11/09/2016	1971	Amanda Burlingham	October 2016 Billing	-3,742.20
11/09/2016	1972	Corry Area School District Foundation	The Challenge	-10,000.00
11/11/2016	EFT	VISA	11/3/16 Statement - Diane	-9,730.59
11/18/2016	EFT	ECCA, Inc.	10/29/16-11/11/16 Payroll	-7,272.79
11/18/2016	EFT	Fidelity Investments	10/29/16-11/11/16 Payroll Retirement	-408.47
11/28/2016	EFT	VISA	11/3/16 Statement - Tom	-407.50
11/28/2016	EFT	VISA	11/3/16 Statement - Perry	-338.68
11/30/2016	1973	Diane Kuvshnikov	November Reimbursements	-213.15
11/30/2016	1974	Penn State Erie, The Behrend College	December Rent	-1,386.89
11/30/2016	1975	The Partnership for Erie's Public Schools	The Challenge	-30,000.00
				-212,361.23





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

**EXECUTIVE
DIRECTOR'S
REPORT**

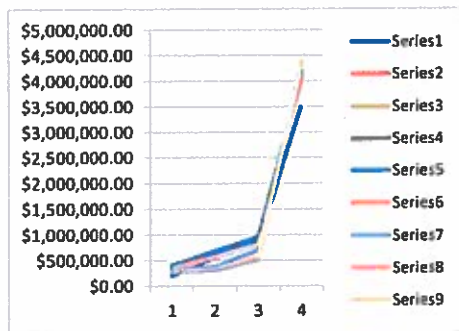
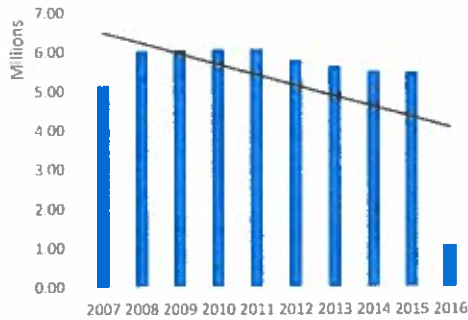
FOR

NOVEMBER, 2016

**Revenue Dashboard
by Quarter
2007 - 2016 YTD**



Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2007	201,418.07	562,082.72	867,508.44	3,507,952.54	5,138,961.77
2008	366,211.37	672,936.98	941,125.00	4,063,561.53	6,043,834.88
2009	407,507.87	701,525.21	898,525.69	4,060,932.24	6,068,491.01
2010	385,476.85	665,559.96	962,909.94	4,073,449.24	6,087,395.99
2011	393,440.61	636,302.96	903,421.25	4,166,222.13	6,099,386.95
2012	356,241.99	554,752.50	794,443.73	4,114,583.35	5,820,021.57
2013	318,869.71	374,557.04	701,478.54	4,261,932.00	5,656,837.29
2014	281,934.65	315,628.24	584,126.03	4,350,692.65	5,532,381.57
2015	264,934.67	308,566.19	541,749.43	4,390,710.21	5,505,960.50
2016	271,003.84	300,719.61	507,757.83		1,079,481.28
	3,247,039.63	5,092,631.41	7,703,045.88	36,990,035.89	53,032,752.81





Jamie Plaster and Andrew Gross, at left, and Ed Nientimp, right, accept grants from Millcreek Education Foundation Executive Director Kristina Huber, second from right.

VALERIE MYERS/ERIE TIMES-NEWS

Education foundation awards five staff grants

By Valerie Myers
valerie.myers@timesnews.com

Five Millcreek Township School District teachers and administrators received grants Monday to “do a little extra for students,” from the Millcreek Education Foundation.

The grants, totaling \$7,553, will be used for programs and materials not funded by the school district, foundation Executive Director Kristina Huber said.

A \$1,000 grant to district instructional technology coordinator Jamie Plaster will pay for materials and transportation for middle school students participating in a special program to learn more about sciences, technology, engineering and math. The program will include a trip to McDowell High School to learn more about the school's advanced engineering program.

Elementary students also participate in the program by managing Chromebooks at their schools.

Westlake Middle School drama adviser Andrew Gross will buy two theater-quality microphones, cables and storage case with a \$1,753 grant. Drama students present high-quality Broadway productions at the school each year and this year will perform “Hairspray,” Gross said.

The grant is appreciated, he said.

“We started the program eight years ago with not even a costume, hammer or nail nothing,” Gross said.

A \$2,000 grant will pay for a staff development program by filmmaker Dan Habib, whose documentary, “Including Samuel,” addresses ways to include students with disabilities in mainstream education.

“It’s a different way of bringing information about inclusive practices,” said Ed Nientimp, the district’s

director of pupil services.

Parents and the community will be invited to participate in the August program, Nientimp said.

An \$800 grant to Principal Jeremiah Bull will buy the license fee for 20 Tracy Elementary teachers and provide a lead teacher stipend for “Reflex: A Basic Fact Fluency Resource,” a game to help students improve math skills.

And a \$2,000 grant to Belle Valley Elementary teacher Melany Myers will buy six guitars with cases and 18 other instrument cases.

The foundation awarded an additional \$6,821 in grants in July.

The Millcreek Education Foundation, founded 33 years ago, is primarily funded by grants and donations from individuals and businesses, Huber said. The foundation recently earned an \$18,000 matching grant from the Erie County Gaming Revenue Authority and hopes to raise an additional \$18,000 by the end of the year, Huber said.

In addition to faculty and staff grants, the foundation also presents scholarships to McDowell High School graduates, including 44 presented in spring 2016, Huber said.

Millcreek Education Foundation will sponsor a free public screening of the documentary “Most Likely To Succeed,” about innovative ways to transform education, Nov. 9 at 7 p.m. at McDowell Intermediate High School.

Discussion led by Edinboro University of Pennsylvania education instructors will follow the screening.

For more information on the foundation, visit www.millcreekeducationfoundation.org.

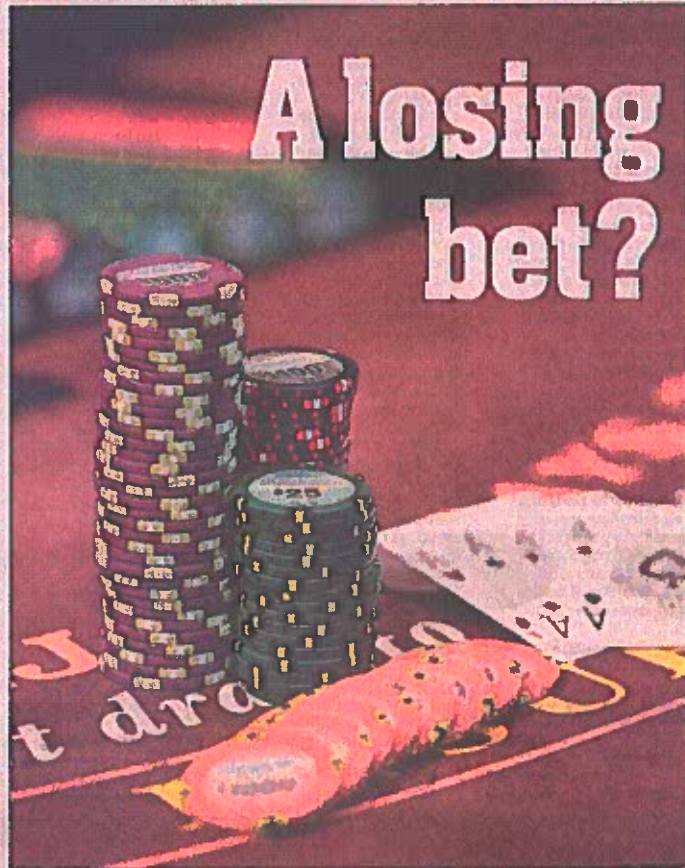
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A recent state Supreme Court decision struck down as unconstitutional the local share of casino gaming revenues. Now local nonprofits and other agencies are unsure if they can rely on future funding from gambling revenues. PHOTO ILLUSTRATION BY CHRISTOPHER MILLETTE/ERIE TIMES-NEWS

Where the winnings go:

Here is the 2016 breakdown of how Erie County Government used its \$5.5 million share of gambling revenues from Presque Isle Downs:

- \$1 million to help fund the county library system
- \$3.4 million to make payments on the county's long-term debt.
- \$1.1 million in grants to local nonprofits/social service agencies. That includes funding for EMTA and the county summer jobs program.

Total for 2016 is \$6.3 million, but that includes \$800,000 in unused county gambling revenues (reserves) from prior years.

SOURCE: ERIE COUNTY GOVERNMENT

Casino revenue uncertainty concerns Erie-area organizations

By Kevin Flowers
kflowers@timesnews.com

Meals, recreational activities and educational opportunities for senior citizens. Free Sunday hours at the Erie Zoo.

Sports programs for inner-city children.

Arts programs, local festivals and cultural events throughout the region.

All of those programs and events and many others, which benefit tens of thousands of Erie County residents each year, rely on gambling revenues from Presque Isle Downs & Casino in Summit Township, via a requirement in the Pennsylvania Gaming Act of 2004 that casinos must give millions of dollars annually to

the communities that host them.

However, those "host fees" are currently in question after a recent state Supreme Court decision, and there is no guarantee the state Legislature will fix the problem quickly.

That has officials from area nonprofits that receive gambling funds worried, with some contemplating contingency plans that could involve programming and service cuts if a solution isn't forged soon.

"The gaming funds actually support our entire agency," said Georgia Del Frio, vice president of operations for the Greater Erie Community Action Committee. "If we don't have them, we're going to have to

See CASINO, A10

CASINO

Continued from A1

find the funding somewhere else."

According to financial figures from the office of Erie County government's finance director, Jim Sparber, county government and the Erie County Gaming Revenue Authority have each received more than \$52.5 million in revenue from Presque Isle Downs since the casino opened in February 2007.

The county and authority each receive about \$5.5 million in casino revenues each year. In addition to yearly grants to nonprofits, the county uses that money to fund libraries and to make payments on the county's existing long-term debt.

Of that collective \$105 million, county financial figures show, the county has awarded \$12.5 million in "community grants" to various nonprofits during the past nine years.

In addition, the Gaming Revenue Authority has invested about \$43 million into the region from its share of gambling revenues since 2009, when the authority began distributing grants and loans to various agencies, nonprofits and municipalities to improve public spaces; create jobs via small businesses; expand education and training; and help fund local festivals and other community events, said Perry Wood, the authority's executive director.

"Gaming revenue has become the new source of community development funding for many agencies," Wood said. "And without that they would not be able to operate these programs. That underscores the importance in our community. There isn't the political will to spend taxpayer money on many of these programs, so gaming money fills that void."

GEGAC, which serves about 20,000 county residents each year, received \$4.8 million in gambling revenues from the county for its operations since 2007, including programs that benefit senior citizens, according to county financial figures.

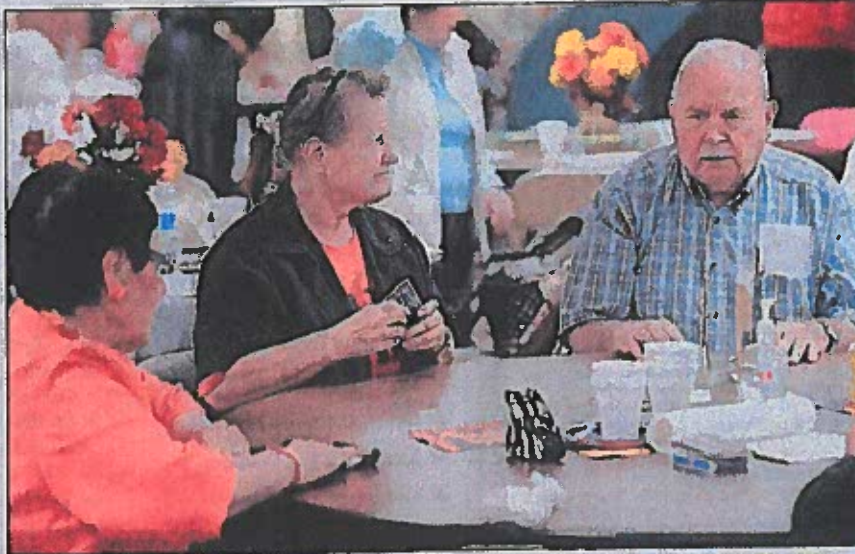
Del'Preo said much of that money also serves as required local match dollars for GEGAC's state and/or federal funding. The agency has an annual budget of roughly \$32 million.

Erie County Executive Kathy Dahlkemper's proposed \$90.1 million county budget proposal for 2017 recommends \$719,806 in gambling revenue grants for GEGAC. Dahlkemper traveled to Harrisburg on Oct. 18 to testify before the state Gaming Oversight Committee regarding the importance of gambling revenues in Erie County.

County government has funded GEGAC and other social service agencies and nonprofits for several years, using general fund budget tax dollars. However, the county has specifically used gambling funds, since 2007, to provide grants to those agencies.

Erie resident Georgia Brown, 72, is among the 10,000 older Erie County residents served by GEGAC's aging programs.

"I can't say enough about



Theresa Prutas, left, Georgia Brown, center, and Roy Hoover, right, all of Erie, play cards at the GEGAC Senior Center in Erie. GEGAC currently receives grants from Presque Isle Downs & Casino gaming revenues. JACK HAHAMIAN/ERIE TIMES-NEWS



An electronic slot machine featuring dollar signs is shown at Presque Isle Downs & Casino in Summit Township. A recent state Supreme Court decision struck down as unconstitutional the local share of casino gaming revenues. CHRISTOPHER MILLETTE/ERIE TIMES-NEWS

"Gaming revenue has become the new source of community development funding for many agencies. And without that they would not be able to operate these programs. That underscores the importance in our community. There isn't the political will to spend taxpayer money on many of these programs, so gaming money fills that void."

— Perry Wood, executive director, Gaming Revenue Authority

Across Pennsylvania, host fees fund more than \$140 million worth of services each year in communities that host casinos.

Legislative fix?

The Pennsylvania House of Representatives on Thursday approved an amended version of a bill that includes a mandate that casinos pay millions of dollars to host communities statewide.

However, the state Senate will need to take up the issue again, because the gambling bill it approved Tuesday night was changed by the House to include gaming expansions that would legalize internet and fantasy sports gambling that represent about \$100 million in new revenue for the state.

The legislation requires the state's casinos to pay a \$10 million yearly fee to their host municipalities to cover costs associated with legalized gambling and keep money flowing to communities that host casinos in the wake of the Sept. 28 Pennsylvania Supreme Court decision which struck down

estimate that brings "45,000 to 50,000 people to the zoo, many of whom otherwise might not be able to come," Mitchell said.

Those free hours might go away, Mitchell said, without gambling grants.

"We'll wait and see," Mitchell said. "We have winter coming, when we're closed, so we have some time to wait built into this. There's some optimism something might happen in the next few months."

"But if we don't know anything by mid-January we will have to look at our options," Mitchell said.

The Booker T. Washington Center, 1720 Holland St., could find itself in a similar position regarding its sports programs.

County government has earmarked \$10,000 in 2017 funding for the center, from gambling revenues, for wrestling, track and field, basketball and boxing programs at the center that serves 150 children and teenagers.

Shantel Hilliard, the center's executive director, said those programs could be severely cut back or eliminated without that funding.

"That money is very important to us," Hilliard said. "These programs are an alternative to violence and risky behaviors for our youth. If we don't have them, it's going to have a direct correlation on whether we can provide

Facts about casino revenues in Erie County

- Erie County government has awarded \$12.5 million in "community grants" to various nonprofits since 2007 from its share of gambling revenues.

- The Erie County Gaming Revenue Authority has invested roughly \$43 million into the region from its share of gambling revenues since 2009 when the authority began distributing grants and loans to various agencies, nonprofits/municipalities

- County government and the Erie County Gaming Revenue Authority have each received more than \$52.5 million in gambling revenue from Presque Isle Downs & Casino in Summit Township since the casino opened in February 2007. Collective total received: \$105 million.

How the Erie County Gaming Revenue Authority used its \$5.5 million from 2016

- \$2.5 million for small business loan financing
- \$1,240,000 for local government development grants
- \$1 million for the lead community assets/endorsement, which funds entities such as the Erie Zoo
- \$1 million in Shaping Tomorrow grants
- \$646,812 for lead asset funding
- \$178,268 in special event grants
- \$168,190 in multi-municipal collaboration grants
- \$158,000 for the county summer jobs program
- \$148,480 in community assets grants
- \$118,946 in human services grants to various organizations
- \$75,150 in pilot project grants to different organizations

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GAMBLING

Continued from A1

of Millcreek Township, D-49th Dist., voted for the measure.

Good for six months, the "sunset measure" would keep money flowing to communities that host casinos until the Legislature can come up with a permanent solution. The mandate that casinos pay millions of dollars to host communities was struck down by the Pennsylvania Supreme Court on Sept. 28.

Presque Isle Downs & Casino in Summit Township has been paying county government about \$11 million each year, with \$5.5 million going to the county and \$5.5 million to the Erie County Gaming Revenue Authority.

Summit Township also receives roughly \$1.2 million annually as the casino's host municipality, and four other municipalities near the casino — Millcreek, McKean, Waterford and Greene townships — receive smaller shares of slots revenue as the result of a 2008 lawsuit over how county government planned to use a portion of its gambling funds.

The state House of Representatives still has to vote on the proposal, and it was unknown Wednesday when a house vote could take place. Wiley called the Senate's move "an immediate but temporary solution and one that is fair and equitable."

Dahlkemper said that the Senate's action is a quick attempt to "give us some certainty" that municipalities will continue to receive gambling revenues. The county uses gambling revenues to fund libraries, award

grants to various local agencies, and to make payments on the county's existing long-term debt.

About \$5.5 million in gambling revenue is plugged into Dahlkemper's proposed \$99.1 million county budget for 2017, currently under consideration by Erie County Council.

"I would prefer a longer fix, but I don't think that's going to happen at this point," Dahlkemper said. "But I'm very encouraged by this."

Perry Wood, the Gaming Revenue Authority's executive director, said that while the state Senate did the right thing, "we're hearing that the House is not very receptive to this fix

at this point in time." The Gaming Revenue Authority invests that money via grants and loans in various economic and community development projects throughout the region.

The Gaming Revenue Authority currently has about \$6 million in reserve, Wood said, which means the authority could continue to operate and award grants at the same level and frequency for about 18 months.

However, Wood said he is concerned that the Legislature won't permanently address the issue without it being part of an expansion of gaming statewide. Legislators are also considering legislation that would legalize online

gaming in the state.

"If local share (funding) doesn't get fixed by the end of January, gaming revenue will cease to flow to Erie County and ECGRA will immediately have to decide which programs it will have to cut to make up for the revenue shortfall to this community," Wood said.

The Associated Press contributed to this report.

Kevin Flowers can be reached at 870-1693 or by email. Follow him on Twitter at twitter.com/ETNflowers.

Gambling law fix not certain

By Kevin Flowers
kevin.flowers@timesnews.com

Erie County Executive Kathy Dahlkemper said it's "encouraging" that state lawmakers are moving quickly on a proposed temporary mandate that casinos pay millions of dollars to host communities, a situation that affects Erie County and many other communities statewide that rely on gambling revenues.

But there is no guarantee that even a short-term fix will be in place soon.

The Pennsylvania Senate on Tuesday voted 47-1 to require the state's casinos to pay a temporary \$10 million fee to their host municipalities. State Sen. Sean Wiley

See GAMBLING, A6

VIEWPOINT

YOUR VIEW

Development efforts aid people who run them

One of the late Mayor Louis Tullio's frequent brags was that he had brought tens of millions of federal dollars to Erie. The common refrain from his detractors was, "Yeah? So where is it?" Things haven't changed that much over the past several decades.

On the same day that the Erie Community Foundation announced it was giving \$10 million to several Erie institutions, the executive director of the Erie County Gaming Revenue Authority, which hands out the casino cash, said it has distributed \$52 million since Presque Isle Downs & Casino came into being. During that same period, local politicians kept getting their pictures taken handing out those giant checks to fund myriad programs and projects. The gaming guy was attempting to rally the community to lobby Harrisburg to keep the cash faucet open, and his missive claimed the money has done much. I suspect his main worry just might be keeping his own wallet supplied with payday cash.

Studies, plans, projects and economic development programs have chewed up scads of public money, funds which for the most part provided jobs for the bureaucrats who ran the programs but did precious little by way of aiding the community.

The history of most of the economic development efforts reads like a tear-jerk novel. Give away the tax base to "incentivize" would-be employers, only to see them take advantage of the breaks and never deliver the promised jobs. Maybe all of this wouldn't be quite as bad if we had learned our lesson, but the beat goes on.

Do we really want private investment in Erie and Erie County? Have the schools offer top-notch education. Provide a capable and plentiful labor pool. Pick up the garbage on time. Keep taxes at the lowest possible rate by reducing the number of economic developers who, in fact, have not and cannot bring jobs.

Mark Guy Findlay, Erie

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Common Ground Youth Center receives ECGRA grant

By Charlene Kerr, Contributing
writer

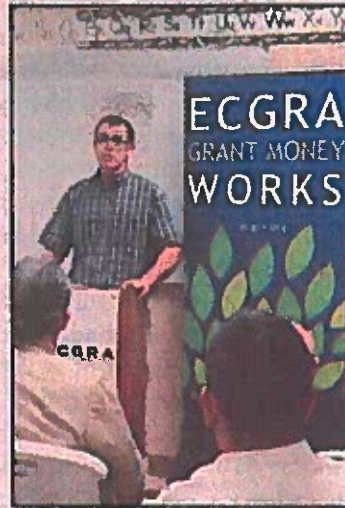
Common Ground Youth Center received a \$9,120 grant from the Erie County Gaming Revenue Authority – one of 21 Community Assets Grants distributed last month. CGYC is celebrating its 10th year of operation.

The grant will be used to match a North East Community Foundation grant to upgrade the facility, including reupholstering couches, improving the recreational areas and purchasing new games and equipment to replace the originals. All this comes in an effort to add new and exciting recreational activities for youth and to maintain a safe and exciting environment.

ECGRA's Community Assets Grants are targeted to organizations that increase tourism, enhance places and develop culture. This year, more than half of the organizations receiving grants also specialize in building up local youth.

"Many of our 2016 grantees have multiplied their economic impact: They are fostering Erie's next generation of leaders," said ECGRA's Executive Director Perry Wood.

Kerry Corbin, Common Ground's executive director, was one of three grant recipients asked to speak at the awards ceremony. He reviewed the past 10 years of activities and



Common Ground's plans for the next 10 years.

He also shared the story of one student who attended CGYC for many years, and who, like many students who attend CGYC, didn't have a father figure in his life, was very rebellious toward male authority and hated school. CGYC staff and volunteers worked with this student, who ultimately graduated from high school, has a full-time job and is engaged to be married. Corbin explained that CGYC made a huge difference in this young man's life.

CGYC is grateful to ECGRA and to the North East Community Foundation for their continued support as Common Ground continues to reach out to the area's youth, providing recreational and other support to those who need it.

day!

*****AUTO**

Corry Journal

Corry, Pennsylvania

Thursday, October 27, 2016

Senate passes temporary bill to keep casino fees

BY KIM LUX
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Pennsylvania casinos will continue to pay host fees to counties and municipalities for the next seven months under a temporary mandate approved by the state Senate with a 47-1 vote.

The Senate's temporary provision will halt a Pennsylvania Supreme Court decision that determined it was unconstitutional for casinos to pay

millions in host fees to communities.

This could be good news for the Erie County Gaming Revenue Authority, who receives \$5.5 million annually from Presque Isle Downs & Casino, and funds multiple grants for local nonprofits.

The mandate will now be voted on by the House of Representatives.

ECGRA currently provides grant money to many Corry nonprofits including

the Corry Area Historical Society, the Corry Area Chamber of Commerce, the Corry Community Foundation and Impact Corry.

"The Senate action is a great first step," said Impact Corry President Steve Bishop. "Now we'll have to see if the House follows up. It is a wait and see situation."

Bishop added that he hopes Pennsylvania legislators do everything they

can to have ECGRA continue receiving its funding.

"The uncertainty is what's hard for most people," Bishop said.

Impact Corry has already applied for the next round of Mission Main Street grants offered by ECGRA.

"From what I hear, anything we are applying for now should be covered," he said. "We're in good shape there."

Currently, ECGRA gives out hundreds of thousands

of dollars in its three biggest grants to local nonprofits. These grants are the Mission Main Street grants, the Special Events grants and the Community Assets grants.

"This is another example of how we are benefiting from these dollars in Corry," Bishop said.

ECGRA is still asking local community members to contact their local legislators and let their voices be heard.

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GAMING

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communities.

"This will help assure that the counties and municipalities have the funding they've had for years, and there won't be any interruption of that," said state Rep. Pat Harkins, of Erie, D-1st Dist.

Harkins voted in favor of the amended bill on Thursday. It passed the House 108-71.

"There are some things I wasn't thrilled with," Harkins said, "But you have to take what you can get sometimes."

However, it is unknown when the Senate will reconsider the bill before the end of the year. Host fees collectively bring more than \$140 million annually to Pennsylvania communities where casinos are located, including Erie County, and the issue has major financial ramifications

for municipalities and counties that rely on gambling revenues.

Presque Isle Downs & Casino in Summit Township has been paying county government about \$11 million each year, with \$5.5 million going to the county and \$5.5 million to the Erie County Gaming Revenue Authority.

Summit Township also receives roughly \$1.2 million annually as the casino's host municipality, and four other municipalities near the casino — Millcreek, McKean, Waterford and Greene townships — receive smaller shares of slots revenue as the result of a 2008 lawsuit over how county government planned to use a portion of its gambling funds.

State Sen. Sean Wiley of Millcreek, D-49th Dist., said that the gaming expansions in the bill "surely muddies the waters and takes the attention away from having a solution to the

local share assessment before the court-imposed deadline."

The state Supreme Court gave legislators six months to come up with a permanent fix for the local share issue.

"The bill the Senate passed earlier this week was an immediate, yet temporary, solution that met the burden and kept the money flowing to the counties that rely on it for critical programs and services. The House should have voted it clean," Wiley said.

"I don't know what the support in the Senate is like for (internet) gaming," Wiley said, "but to jeopardize the tens of millions of dollars flowing into host municipalities I feel is irresponsible."

The Associated Press contributed to this report.

Kevin Flowers can be reached at 870-1693 or by email. Follow him on Twitter at twitter.com/ETNflowers.

Still waiting on our money

State House passes amended casino bill, but issues linger

By Kevin Flowers
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The Pennsylvania House of Representatives on Thursday signed off on an amended version of a bill that includes a mandate

that casinos pay millions of dollars to host communities statewide.

But the issue is far from settled, and might not be finalized before the end of 2016.

The state Senate will need to take up the issue again because the gambling bill it approved Tuesday night was changed by the House

— specifically, it includes gaming expansions that would legalize internet and fantasy sports gambling.

That gambling expansion could represent roughly \$100 million in new revenue for the state.

The legislation requires the state's casinos to pay a \$10 million yearly fee to their host municipalities to

cover costs associated with legalized gambling. Legislators seek to keep money flowing to communities that host casinos in the wake of the Sept. 28 Pennsylvania Supreme Court decision which struck down a mandate that casinos pay millions of dollars to host

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CITY & REGION

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More than \$3.8M to benefit nonprofits

By Gerry Weiss
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Erie's nonprofit community will receive more than \$3.8 million on Wednesday. The money will help pay for freezer repairs at the Holy

Trinity Lutheran Church, and support programs at the Sarah Reed Senior Living Center and for the Sisters of St. Joseph Neighborhood Network.

The Erie Community Foundation and the Erie

County Gaming Revenue Authority will distribute the money at a reception at the Lake Erie Arboretum at Frontier, 1501 W. Sixth St., at 10 a.m.

The money will be disbursed through 237 grants,

224 of which are donor-advised endowments totaling \$3,054,165 that are already established at the foundation.

Of the remaining funds, 13 local nonprofits will receive about \$155,000 combined.

Wednesday's grants also include 501 scholarships totaling \$638,451.

The grants and scholarships total \$3,847,087, officials with the foundation

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GRANTS

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said.

The foundation links charitable endowments from donors to needs in the Erie region. Four times a year, the organization grants awards to groups seeking financial assistance in education, health, arts and community development.

The largest grant Wednesday will go to the Hamot Health Foundation, which will receive \$30,000 for its Women's Health Outreach initiative.

The John F. Kennedy Center will receive \$17,954 for upgrades

to its computer lab and youth database project, while the Sarah Reed Senior Living Center will get \$14,626 for its Life Enriching Activity Program.

Other local organizations and groups receiving donations Wednesday include the Therapeutic Riding Equestrian Center (\$15,000 for programming), Veterans Miracle Center (\$11,500 for its Hauling Hope home), the Martin Luther King Jr. Center (\$10,674 for the Erie Dance Theater), and the Lake Erie Arboretum at Frontier (\$11,798 for its Pathway project).

Gannon University will receive \$8,000 for

education outreach for the Erie Chamber Orchestra's 39th season, while the Waterford Community Fair Association will receive \$10,000 to help pay for drainage improvements to the fairgrounds.

Safe Kids Erie will receive \$10,000 (for its Safe Sleep Erie program), and Holy Trinity Roman Catholic Church will receive \$5,000 (for the installation of surveillance cameras around the church's property).

Gerry Weiss can be reached at 870-1884 or by email. Follow him on twitter at twitter.com/ETNweiss.

VIEWPOINT

EDITORIAL

Legislators should tackle pressing state issues

The issue: Legislative session winds down
Our view: Vote on things that matter

Five days and the \$11 million Erie County receives yearly in casino host fees could disappear.

The Pennsylvania House of Representatives and Senate were in session three days Oct. 17-19.

Animal cruelty measures advanced, including one sponsored by Rep. Ryan Bizzarro, of Millcreek Township, D-3rd Dist., that will likely be welcomed.

Other measures, however, as the Philadelphia Daily News observed, appeared to be veto-prone measures whose "main purpose is to pander to special interest groups."

There are five days left to legislate in 2016: Monday, Tuesday and Wednesday, and Nov. 14 and 15.

Legislators must do their jobs and vote on things that matter, starting with casino host fees.

Erie and other communities statewide stand to lose vital revenue due to a recent state Supreme Court decision that struck down the fees that casinos pay to the communities that host them. The fees were meant to compensate communities in part for services they would be required to provide casinos, such as police and fire protection. It was a promise that was also made in exchange for the legalization of vice in their locales.

The court found the law as worded unfairly burdened smaller casinos, but gave the Legislature 120 days to fix it.

The Legislature must act to repair the law. But any fix must uphold the deal struck with host communities and not fritter the money away throughout the state to communities that do not contend with the presence of gaming.

Erie County alone receives about \$11 million yearly in host fees from Presque Isle Downs & Casino. The Erie County Gaming Revenue Authority has invested more than \$40 million to impact five key areas in the region: small business; education and youth; quality of place; local government and development; and commercial corridor revitalization.

Meaningful pension reform could help the beleaguered Erie School District, and others like it, begin to address structural funding problems that no amount of belt-tightening can overcome.

And finally, stop kicking the can down the road on the state's sexual abuse laws. With each new investigation, we learn just how much damaging abuse some children endured in the past, often at the hands of those employed by institutions that knowingly enabled it.

Give those victims a path to justice. Extend the statute of limitations for child sexual abuse victims to file civil claims and make it retroactive. The Senate can no longer duck behind the constitutional argument put forth by Catholic Church lobbyists and the insurance industry that sank the legislation previously.

The current state attorney general and the two men running for the office say the reform meets constitutional muster. Do the right thing.

VIEWPOINT

EDITORIAL

Mayor, council dropping the ball on Erie Refocused

The issue: Comprehensive plan awaits action
Our view: City officials must get moving

It's no small thing that more than 100 Erie business, civic and governmental leaders cleared their calendars on Oct. 12 to attend a four-hour conference on the city of Erie's comprehensive plan at the Jefferson Educational Society.

The room was packed with people with busy schedules and weighty responsibilities, but they made time to be there because the subject is so important. The program was an opportunity to get a detailed and unvarnished look at Erie Refocused and the how the community should go about implementing it from Charles Buki, the lead consultant in the process.

It's clear that all who attended came away better informed about the guiding principles in the plan and the difficult choices Erie faces.

And the session crackled with commitment and resolve among those attending.

What was worrisome was who didn't attend, starting with Mayor Joe Sinnott and most of Erie City Council. The Sinnott administration's point man on Erie Refocused, new Director of Economic and Community Development Chris Mong, stayed for about half the conference, saying he had another meeting to attend.

That poor showing reflects, practically and symbolically, City Hall's lethargic response to the plan in the nearly seven months since Buki's firm, GVB, delivered it. And it puts a sharper point on questions about whether the city's elected officials will summon the energy and stomach for the wrenching and indispensable process that Erie Refocused recommends.

Their performance to date isn't promising. It has consisted mostly of lip service.

Buki is among those who have noticed. As he is prone to do, he said so bluntly at the Metro 100 conference.

"The underlying governing variable is ducking for cover," Buki told his audience. "Real courage is going to be needed to make some of these choices."

Real courage hasn't exactly been the profile of the Sinnott administration and City Council in recent years. They have largely been content to manage the city's inexorable decline and to avoid leveling with the community about how troubling and damaging Erie's trend lines are.

That avoidance extends to ducking one of the central recommendations for putting Erie Refocused into motion — an extensive, ongoing and almost certainly contentious dialogue with all corners of the community about the plan and what it demands from all who love Erie.

That lack of engagement and action by Sinnott and City Council was only made more glaring by the shortage of city officials at the Metro 100 conference. Erie County government was better represented.

This is a defining and irrevocable moment for Erie that demands courage, vision and leadership from people who so far aren't inclined to provide it. That must change.

VIEWPOINT

EDITORIAL

State grant is needed boost for bayfront

The issue: Harbor Place awarded \$5 million
Our view: Downtown-bayfront link needed

The release of \$5 million from the state for the Harbor Place residential and commercial development on Erie's bayfront comes at a pivotal moment.

Scott Enterprises Inc. sought the money to leaven its \$150 million plan to convert 12 acres of prime bayfront property into a destination rich with amenities: two hotels, 100,000 square feet of office space, town homes, a waterfront restaurant, a family recreation center, retail shops and parking.

Company President Nick Scott Sr. has been waiting for this support from the state since the application was first submitted in 2013 under the administration of then-Gov. Tom Corbett. Scott said now that the funds from the Pennsylvania Redevelopment Assistance Capital Program have been awarded, construction will begin in 2017, starting with a hotel and office space. Over the following four or five years, he said, the other phases will follow at the location near Blasco Library.

The state's investment will yield lasting benefit to Erie. The privately developed Harbor Place — unlike the publicly financed bayfront hotels, the Erie Sheraton Bayfront Hotel and Courtyard Erie Bayfront Hotel — will add a greatly needed \$3 million to Erie's eroding tax base when complete.

The project should also supply much-needed employment for Erie workers during the construction phase and when it is complete.

And if the development of waterfront amenities in other cities, such as Baltimore or Philadelphia, are any indication, the enhanced bayfront could prove to be a potent tourism draw.

The state's seed money for Harbor Place is just the latest well-placed investment in Erie initiatives that target the region's deepest needs. It follows the recent \$10 million in awards from the Erie Community Foundation, the Susan Hirt Hagen Fund for Transformational Philanthropy and the Erie County Gaming Revenue Authority for the development of, among other things, a community college and an innovation district in downtown Erie.

Erie's recently adopted comprehensive plan, Erie Refocused, and the Erie Downtown Partnership's Downtown Master Plan both point to one of the most obvious needs for downtown revitalization: the need to "bridge two valuable crown jewels," the burgeoning bayfront and downtown Erie, as principal Erie Refocused consultant Charles Buki has said.

That is due in large part to the Bayfront Parkway, which carries vehicle traffic along the bayfront but acts as a barrier between the waterfront and downtown, especially for pedestrians and bicyclists.

We welcome the development to come at Harbor Place. Looking ahead, for all of these promising enterprises both downtown and on the bayfront to gel into a vibrant, coherent and connected whole, the need to link the city to its shining waterfront must now be atop any regional agenda.

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Little League receives ECGRA grant



By Jennifer Smith, Contributing writer

North East Little League was recently selected as one of 21 local organizations to receive Community Assets Grants through the Erie County Gaming Revenue Authority.

The \$5,100 grant, awarded in September, will be put toward the more than \$10,000 in fencing and other facility improvements at the NELL complex on South Washington Street.

This project is just one of the ways NELL has been working to grow and improve facilities and programming over the last few years to bring the joy of the sport to boys and girls in the North

East community and beyond.

NELL also participated in Erie Gives Day in August, receiving more than \$500, and the North East Gives Day, receiving \$120 from the North East Community Foundation.

On behalf of the NELL board, current and past players, coaches and parents, North East Little League would like to thank the community for its generosity and support this year and throughout the league's history. Thanks for being on our team!

To find out more about NELL, check out our Facebook page or visit www.nelittleleague.squarespace.com.

Citizens should clamor to fix Pa. gaming law

In reference to the Erie Times-News Oct. 1 article, "It's 'wait and see' on casino funds" and the editorial, "Legislators must fix gaming law without delay":

The former's suggestion to Erie County Council to "wait and see" how the state Legislature handles the situation over the next four months may be sound advice regarding the Erie County 2017 budget. However, as the latter statement that the Legislature "must do so without delay" is even more imperative to getting the gaming statute fixed.

Reportedly, the budgets of Erie County and the Erie County Gaming Revenue Authority received in excess of about \$30 million each since the 2004 enactment of the gaming statute. The Erie County recipients of ECGRA funding alone number in excess of 100 organizations. From these ECGRA allocations, countywide, the total number of Erie County citizens who benefit can be extrapolated to a number in the tens of thousands. Just consider for a moment if the applicable state House and Senate committees and individual representatives and senators representing Erie County received an email or letter from each of their Erie County constituents. Also, what if each of the organizations that benefited by receiving ECGRA grants communicate with these legislators? All derive these benefits both from ECGRA and Erie County government's receipt of gaming money.

Having authored five-plus grants seeking gaming money since 2004 that benefited three eastern Erie County communities, along with attending the four ECGRA grant presentations, I can personally attest to the benefits derived and the varied array of recipients benefited. Take some time, as I am doing, to send an email/letter or telephone your Erie County state representatives and senators. Strongly encourage each to push for immediate formulation of legislation that corrects what the state Supreme Court ruled unconstitutional in the gaming funding statute. It's just being a good citizen.

— W.A. Wittenham, Warfordsburg

VIEWPOINT

ANOTHER VIEW

Erie embraces a whirlwind of progress on multiple fronts



Pat Cuneo

While the country may be in a funk over a vile presidential race, Erie just marked one of its greatest weeks of true progress in years. Consider these major developments in recent days: \$10 million in grants announced for a community college, a downtown investment zone, the Erie School District and a successful neighborhood program; the state committing \$5 million to spur the start of the long-awaited Scott Enterprises bayfront development; the state committing \$3 million toward the sports and recreation center at Family First, an important and frank conversation about

Erie's future drawing most of the region's top leaders to a working meeting; Erie County government reaching a tax agreement with LECOM Health; and the public bus charter controversy finally reaching a resolution, albeit with the state holding a hammer over the heads of Erie city and county governments.

This sudden series of successes followed years of work in many cases, and we're a better community for it.

The promise of a community college took a giant step forward because of the grant package announced by the Susan Hirt Hagen Fund for Transformational Philanthropy, the Erie County Gaming Revenue Authority and the Erie Community Foundation.

A major study for the college, which is required for sustained state funding and to give us a blueprint for how it should work, is part of a \$4 million grant that would

give hope to residents, employers and the economic prospects of our region. Those who have studied this issue closely, like former Erie County Executive Barry Grossman, who championed the cause, know the issue is that crucial.

Equally important is that unlike with previous attempts to create a community college, this project appears to have the political backing of key members of Erie County Council, County Executive Kathy Dahlkemper and many others in government and private industry. Not only is a community college long overdue, the Erie region also deserves this commitment to its future.

The Downtown Erie Innovation District, which will work to attract innovative companies to Erie, particularly in cybersecurity and safety, represents another key commitment.

Likewise, support for school-related programs

and Gannon University's bayfront neighborhood work will make Erie a better city.

Many people and groups are responsible for these inspired grants, but none more so than Erie Insurance Group Chairman Tom Hagen and his family. This boost to Erie at a difficult time is nothing short of sensational.

Hagen was again among the key figures at Wednesday's Metro 100 conference at the Jefferson Educational Society, co-hosted by the Jefferson and the Gaming Revenue Authority. The subject was Erie's comprehensive plan, Erie Refocused, and consultant Charles Buki was at the top of his game.

With a cross-section of Erie's top public and private leaders, college presidents and leading lawyers and bankers in attendance, the absence of Mayor Joe Sinnott was noticeable. But I'd like to think it was a mistake that can be corrected.

Erie needs its mayor fully on board with a plan his administration commissioned and about which most of us agree there's little time to waste.

Most people are probably inclined to laugh off Donald Trump's absurd claim that the election, three weeks from today, is being rigged by the news media and his other fictional foils, but it's not funny. It's dangerous for anyone, and unprecedented for a candidate for high office, to undermine the outcome of an election. Trump is responsible for his own undoing.

Finally, old friend and popular Erie radio voice Jim LeCorchick will be missed by his many friends in the worlds of news and sports. Jim, who died suddenly on Thursday, was a passionate, authentic personality who so dearly loved his hometown.

Pat Cuneo can be reached at patcuneo@gmail.com.

VIEWPOINT

EDITORIAL

Legislators must protect gaming fees as promised

The issue: Legislators return to work Monday
Our view: Tell them to protect gaming fees

The recent Pennsylvania Supreme Court decision striking down host fees paid by casinos statewide does not only threaten payments — about \$11 million a year — to Erie County.

It also gives legislators statewide an opportunity to rewrite this law and, possibly, distribute casino fees to places other than the host communities.

This would neither be proper nor fair, and Erie County residents should tell them so.

Gaming was legalized in this state on the condition that host communities would receive fees to help them cover increased costs and problems created by gaming, such as the need for more police protection. In Erie County, Presque Isle Downs & Casino provides jobs and draws visitors who spend money in local hotels and restaurants, to be sure. However, local courts have also seen crimes committed by those who become addicted to gambling.

The casinos agreed as part of licensing to pay host communities 2 percent of their gross slot machine revenues or a flat \$10 million, whichever is greater. The Supreme Court now says that is unconstitutional because it imposes an uneven tax on casinos that generate lower revenues.

So now the ground rules could be rewritten — after host communities have come to rely on these revenues, which fund more than \$140 million in community services statewide.

This year, the Erie County budget included more than \$5 million in host fees from Presque Isle Downs.

And as Perry Wood, executive director of the Erie County Gaming Revenue Authority, said in an op-ed piece published in Wednesday's Erie Times-News, other gaming revenues have been used since 2008 to support Erie's battle against decline. More than \$40 million has been spent on investments specifically designed to impact five key areas in the region: small business; education and youth; quality of place; local government and development; and commercial corridor revitalization.

Wood highlighted Ignite Erie, a collaborative strategy that brings together business, industry and educational institutions to boost small businesses and startups.

Erie County Council has called on the Legislature to sustain our gaming revenues.

Wood said ECGRA also has hired the Ridge Policy Group to lobby on behalf of our county, stressing the importance of this money to regional economic development.

Local legislators say they have been working behind the scenes to devise a repair to the law.

The Legislature goes back to work in Harrisburg on Monday. You can help support local lawmakers' efforts to protect the host fees.

Contact information and sample letters can be found on ECGRA's website at www.ecgra.org/calltoaction.

These revenues were promised to host communities like Erie, and they play an essential role in its renewal and recovery.

Tell the Legislature to keep that promise.

CITY & REGION

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City leaders miss comp plan conference

By Madeleine O'Neill
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Several key Erie officials, including the mayor, either did not attend or left in the midst of a Wednesday conference about the city's comprehensive plan.

During the four-hour meeting, consultant Charles Buki, whose firm developed the comprehensive plan, emphasized the need for partnership between government and the private sector. Yet Erie Mayor Joe Sinnott

was not there.

"The mayor had other business to attend to, but he has had extensive discussions about the plan with the consultant," the mayor's office said Thursday in a statement issued through an executive assistant.

The invitation-only Metro 100 conference was hosted by the Jefferson Educational Society and the Erie County Gaming Revenue Authority. More than 100 community leaders attended. Ben Spегgen, the Jefferson

Educational Society's program director, said invitations, including one to Sinnott, were sent several weeks before the event.

Chris Mong, the city's director of economic and community development, attended the event, as did Assistant Director Allison Schmidt.

Mong said he had to leave the event early to attend another meeting, but he was pleased with what he heard.

"I liked the part about building confidence and

having some visible quick wins," Mong said. "I think the city really needs that."

Several city council members said their schedules did not allow them to attend the Metro 100 conference.

"I was not able to go, regrettably," said Councilman Curtis Jones Jr. "I am going to get an update on what happened ... and what our next steps are going to be."

Council President Bob Merski and Councilman David Brennan each attended

the conference, although Merski said he had to leave early to return to work.

"Because city council is a part-time position, all of us work full-time jobs, so it's hard to get off during the day," Merski said.

Merski said he also attended a meeting about the comprehensive plan held Wednesday evening, which was open to the public.

"I think people are hungry for fixing the problems that

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PLAN

Continued from B1

have been identified," Merski said. "The lift is going to be heavy, so we need to bring as many community partners on board and involve the citizens."

Councilman Mel Witherspoon said he could not attend Wednesday's conference due to personal business. Councilmen Casimir Kwitowski and Jim Winiarski could not be reached for comment Thursday.

Buki said Thursday he was disappointed with

the lack of attendance by some in city government.

"In a community that's hungry for partnership and leadership, it's a regrettable signal to send," he said. But he said he believes the comprehensive plan will move forward.

"The plan will be implemented because the business community cares," he said. "When a city of Erie's size can get a turnout of 100 ... leaders for four hours, you are talking about serious horsepower."

At Wednesday's conference, Buki also said City Hall had "ducked" conversations with the community about the

comprehensive plan.

Brennan said those conversations are happening, if not formally.

"There's been no formal meeting," Brennan said. "But ... it's part of every discussion. When I go out and meet with groups we always talk about the comprehensive plan."

Councilwoman Sonya Arrington, who was not able to attend the conference, said city officials could do more to communicate with community members about the plan.

"(There) definitely needs to be more communication with the community," she said. She suggested meetings

should take place in community centers so people can attend closer to home.

Mong said he is working with city council to figure out the best ways to reach out to the community.

"As far as ducking anything, absolutely not. ... We're working now toward getting the word out a little bit better," he said. "It's important to get the information out so people know what we're doing, the good things that are happening."

Madeleine O'Neill can be reached at 870-1728 or by email. Follow her on Twitter at twitter.com/ETNoneill.

Erie Times-News

'A unique moment'



Thomas B. Hagen (at podium) announces a \$10 million joint investment that will fund four projects across Erie County that specifically address education, youth, neighborhoods and innovation. The announcement was made Wednesday at the Erie Community Foundation in Erie. Hagen, chairman of the board of Erie Insurance, established the \$10 million Hagen Fund in December 2015 on behalf of the Hagen family. Seated behind him are, from left: Andre Horton, chairman of the Erie County Council; Jay Badams, superintendent of the Erie School District; and Keith Taylor, president of Gannon University. CHRISTOPHER MILLETTE/ERIE TIMES-NEWS

\$10 million in grants aim to transform Erie County

By Gerry Weiss
gerry.weiss@timesnews.com

As Erie County, wracked by persistent poverty, economic decline and low educational attainment, continues to take a renewed look at itself and its future, a \$10 million joint investment announced Wednesday plans to transform the region by targeting critical areas of need.

GOERIE See more photos from the event: GoErie.com/photos

The money will fund four projects across Erie County, specifically addressing education, youth, neighborhoods and innovation.

Officials with the Erie Community Foundation, the Erie County Gaming Revenue Authority and the Susan

Hirt Hagen Fund for Transformational Philanthropy made the announcement Wednesday at an event attended by more than 125 cross-sector community leaders on the front steps of the foundation, 459 W. Sixth St.

Grants include \$4 million to Mercyhurst University for the Downtown

See GRANTS, A6

GRANTS

Continued from A1

Erie Innovation District; \$4 million to Empower Erie for an Erie County Community College; \$1.5 million to the Erie School District for the "community schools" project; and \$500,000 to Gannon University to revitalize sections of the city's east and west bayfront neighborhoods.

The \$10 million will be distributed over a three-year period as benchmarks are met, officials said.

"This is a unique moment in our community's history," Mike Batchelor, the foundation's president, said Wednesday. "The recently completed city comprehensive plan, Erie Refocused, and numerous other studies reveal pathways out of poverty are access to education and training, and a revitalization of our urban core. We now have the resources to accomplish these goals."

Thomas B. Hagen, chairman of the board of Erie Insurance, established the \$10 million Hagen Fund in December on behalf of the Hagen family.

The endowment is named in honor of Hagen's late wife, a prominent community leader and philanthropist, who was Erie Insurance's longest-serving board member. She died in June 2015 at age 79.

"When we set up the fund, we intended to have this kind of impact," Hagen said to the crowd at Wednesday's event. "We're here for a better tomorrow for Erie."

Wednesday's announcement marks the largest grants ever awarded by the Erie Community Foundation in its 80-year history.

"Each of these projects has the potential of bringing substantial,



Shown Wednesday in front of vacant, blighted properties in the 400 block of West Fourth Street in Erie are, clockwise from top left: Jeremy Bloesser, executive director of the Bayfront East Side Taskforce; Erika Rantala, committee person with the Our West Bayfront neighborhood group; Candace Batties, co-chair of Our West Bayfront; and Devantea Batties, 2, Candace Batties' grandson. The two nonprofits will receive \$500,000 to improve this neighborhood on Erie's lower west side. They plan to remove blighted houses like these and upgrade existing properties. The grant was part of a larger initiative announced earlier in the day at the Erie Community Foundation in Erie. Thomas B. Hagen (not pictured), chairman of the board of Erie Insurance, established the \$10 million Hagen Fund in December 2015 on behalf of the Hagen family. CHRISTOPHER MILLETTE/ERIE TIMES-NEWS

sustainable positive change to Erie for years to come," Batchelor added.

Awarding money isn't enough by itself to open a community college, as Erie County Council must vote to create and sponsor the school.

Empower Erie, a local nonprofit established to help bring a community college here, will be awarded \$300,000 for an eight-month long planning study on the community college.

If Erie County Council votes in favor of creating and sponsoring the college, the Hagen Fund, foundation and ECGRA will provide \$3.7 million of additional support.

County Council Chairman Andre Horton, a strong advocate for increased access to education and training across the region, said Wednesday that he has enough support on the seven-member council to move the community college initiative forward.

Erie County Executive Kathy Dahlkemper,

who was at Wednesday's event, provided a letter of support to Empower Erie's grant application to the foundation for funding a community college.

"A technically-focused community college will help protect and grow our traditional industries while also creating an affordable pathway out of poverty for many," Horton said. "It will empower our citizens, attract jobs and build a workforce able to compete globally."

Erie County Council rejected county sponsorship of a new community college in 2010.

County Councilman Jay Breneman, who also provided a letter of support to the grant application to the foundation, said Wednesday that "the need for a community college has not only not gone away (since 2010), it has greatly increased."

Breneman, a military veteran elected to County Council in 2013, said the last community

college here operated for two years after World War II, severing veterans, spouses and widows.

"It set the example that should have led to a modern day community college," Breneman added.

Dahlkemper said the \$300,000 invested into an upcoming eight-month feasibility study on the community college will "allow us to really truly get a picture of why this is so vital to our community."

"We can then look at how logistically to make it happen. The location of it, the finances, the partnerships," Dahlkemper added.

The Downtown Innovation District is designed to bring new jobs focused on cyber-security and safety to the city's urban core, attracting new for-profit businesses, residential facilities and amenities sought by millennials, officials said.

Mercyhurst, Erie Insurance, Velocity Network and the consulting firm of McManis & Monnaie Associates will work with interested partners to execute joint projects related to safety and security, specifically in the high-demand field of data science.

As the district grows, coordinators said, additional corporate and university partners will be added.

"Mercyhurst is ready to take the lead in what we believe will be a potential game-changer for Erie in dismantling brain drain in favor of brain gain," Mercyhurst President Michael Victor told the

crowd Wednesday. "We envision an Innovation district in downtown Erie that will allow us to building a dynamic leadership network and work together with a singular vision focused on growth and prosperity for our community."

The Erie School District was awarded \$1.5 million Wednesday for the local "community schools" initiative, which brings social services directly into school buildings.

The United Way of Erie County also is a coordinator of the project, which already has more than \$1 million in corporate funding across the next three years from GE Transportation, Hamot Health Foundation, Highmark Blue Cross Blue Shield and Lord Corp.

The pilot program will have models in place and operating in five Erie schools later this year. Thousands of city children, all living in low-income households, will be helped by the project, which has been used successfully in other school districts across the United States.

Community schools bring services like health care, dental care and after-school programming directly into school buildings, making the services more accessible and available to students in one place.

The pilot schools are

Emerson-Gridley Elementary School, Edison, Wayne, McKinley, and Pfeiffer Burleigh.

"This investment is incredible. There's a groundswell of support for the community schools model," Erie Schools superintendent Jay Badams told those who gathered at the foundation's front steps Wednesday morning. "Our students face significant out-of-school issues that impact their ability to learn."

Gannon was awarded \$500,000 to continue its revitalization of Erie bayfront neighborhoods.

The money will help rehab properties in the targeted areas of East Sixth Street and Parade Street, on the city's east side, and the block surrounding the Martin Luther King Jr. Center, 312 Chestnut St., on the city's west side, said Jeremy Bloesser, executive director of the Bayfront Eastside Task Force.

"Today is an opportunity to add to the great work already begun by this project. Every place is helpful," Gannon President Keith Taylor said at Wednesday's event. "It will move this city forward and these neighborhoods forward."

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VIEWPOINT

EDITORIAL

Shaping Tomorrow grants strategic and promising

The issue: Game-changing grants revealed
Our view: Projects marshal talent, target need

In "The Smartest Places on Earth," Antoine Van Agtmael, a longtime emerging markets investor, and journalist Fred Bakker examine how communities, especially in the Rust Belt, are finding new competitiveness in the global marketplace by tapping what they call "brainpower" to produce smarter manufacturing and smarter products.

They describe collaborative efforts between businesses, universities and governments in places like Akron, Ohio, and Albany, New York, that create hubs of innovation, or "brainbelts," which in turn generate growth and renewal.

That is one of many reasons we look forward to the announcement Wednesday of the latest round of Shaping Tomorrow grants from the Erie Community Foundation, the Susan Hirt Hagen Fund for Transformational Philanthropy, and the Erie County Gaming Revenue Authority.

Erie Community Foundation President Mike Batchelor has not yet released all of the details, but has said that up to \$10 million in grants will be awarded to four projects.

One of the most savvy may prove to be the grant to help create a downtown innovation district focused on cybersecurity.

Batchelor said money is forthcoming for Mercyhurst University, Erie Insurance and the consulting firm McMannis & Monsalve and Associates to create a hub where businesses and academics can focus on cybersecurity.

Those partners are well-suited and the need for unassailable cybersecurity escalates daily with hostile attacks on both government and business secrets.

The as-yet unnamed location for this hub may dovetail with the Erie Downtown Partnership's downtown master plan's call for the development of a Renaissance district from Eighth to 12th streets, between Sassafras and Holland streets, focused on retail, entertainment and business development.

The Innovation Collaborative, the Renaissance Centre and Gannon University's Center for Business Ingenuity have already "created a niche for innovative entrepreneurship" here, as the plan notes. Together with Penn State Behrend's Knowledge Park and Advanced Manufacturing and Innovation Center, these could allow Erie to cultivate its own brainbelt.

Other intriguing news from Batchelor: a grant to launch a community college, which could provide educational resources needed to help drive down Erie's dire poverty rates.

Our West Bayfront — a coalition of residents, Gannon University, Housing and Neighborhood Development Service and the Martin Luther King Center — is receiving funds for a neighborhood improvement project that is in line with its comprehensive plan, he said.

And Erie's neighborhood centers, beset by funding cutbacks, will be drawn into the fold of the new Erie School District community schools project, with funding for after-school programming.

This list appears to be rich with transformational potential as the Erie region strives to reverse forces speeding its decline. While all is not yet known, it seems the Shaping Tomorrow plans strategically target projects that muster some of Erie's best resources to overcome its deepest challenges.

Erie Times-News

Consultant: Does Erie 'get' city plan?

Author of Erie
Refocused returns
to discuss keys to its
implementation

By Kevin Flowers
kevin.flowers@timesnews.com

Charles Buki returns to Erie this week, and he is looking to gauge the community's grasp of the city's comprehensive development plan.



Buki

"The main thing on my mind is whether or not the Erie community really gets it," said Buki, the founder and

principal consultant of Alexandria, Va.-based Consulting firm C2B. "I have my hopes, but I have my doubts."

Buki will be in Erie on Wednesday to participate in two events at the Jefferson Educational Society, 3207 State St.

The first is an invitation-only discussion from 1 to 5 p.m. of the city's comprehensive plan, which Buki's firm wrote for the city. The comprehensive development plan is the city's first in decades, and it addresses Erie's future needs in a number of areas, including housing, transportation, land use and economic development, to combat decades of systematic decline.

Following that discussion Buki and Peter Lombardi, an associate at C2B, will host a public presentation titled "Implementing Erie's new Plan - How Progressive Cities Address Their Challenges." That conversation starts at 7 p.m. and is free and open to the public, but advance registration is requested.

To register, call 459-8000 or visit www.jeserie.org.

Erie's comprehensive plan, which can be accessed at www.goerie.com/eriere-focused, also suggests the city look for creative ways to attract private financial investment, matched by public dollars, for various projects.

See PLAN, A5

PLAN

Continued from A1

The plan, which has been endorsed by Erie City Council and the city's Planning Commission, will likely take years to implement and its many recommendations could cost as much as \$600 million, according to C2B consultants.

Buki, in an interview with the Erie Times-News, was asked what messages he and Lombardi plan to convey on Wednesday.

Buki said that cities/regions that struggle "typically have long-in-the-tooth habits that require attention, habits that may have once made sense, but that today are clearly well past their

sell-by date. Certainly this is the case with so many Ohio and Pennsylvania and western New York communities, and this includes Erie."

Buki said he is "hopeful" when he sees the work being done in the community by groups such as the Erie Regional Chamber and Growth Partnership, the Erie Community Foundation and the Erie Downtown Partnership, along with educational institutions and private employers like Erie Insurance.

However, "my concerns remain when I detect persistent lack of multijurisdictional partnership, a constant critique of City Hall, an obstinate tendency in the community to wait for someone else to solve a problem, and a failure to really come to

grips with the mandate to triage given limited resources."

The comprehensive plan, Buki said, gives the Erie region a unique opportunity to reposition itself.

"I'm looking for elected officials in the city to show some guts and make some choices that are good for the city, though maybe not good for everyone at the moment, and for the private sector to have officials' backs when officials go out on a limb," Buki said.

"When elected officials make tough choices, I am looking for voters to re-elect them instead of whining. I'm looking for partnership that cuts across public and private lines, city and county lines, and (in) general across the

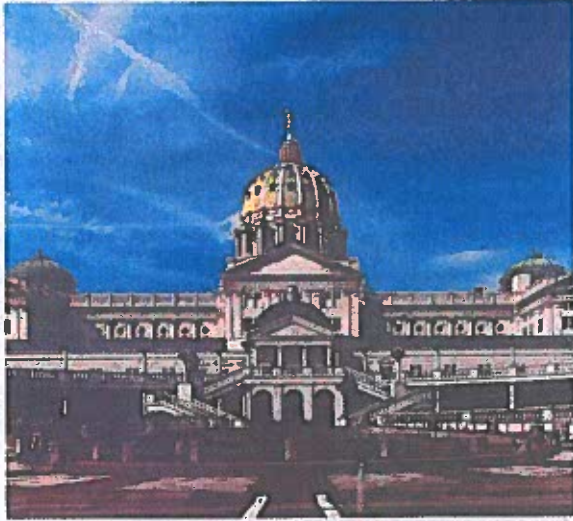
grain," Buki said. "I'm looking for evidence of strategically linked initiatives that reinforce and grow strengths, not one-off projects sitting out there like free radicals. I am looking for a combination of surprise, excitement, anger, frustration and fear in the projects and initiatives that emerge in response to Erie's existential challenge."

"When initiatives are all bunnies and butterflies," Buki said, "I'll know that hard decisions are not being made and the real work is being kicked down the road. When there's friction, then there's progress."

Kevin Flowers can be reached at 870-1693 or by email. Follow him on Twitter at [twitter](https://twitter.com/ETNflowers). kevin.flowers@timesnews.com

Harrisburg Happenings

Public health and the health of local budgets are both at stake throughout Pennsylvania.



By: Senator Sean Wiley

"We have heard too many horror stories about high school athletes whose futures are robbed by addiction that begins with prescription pain killers."
— Gov. Tom Wolf

When Gov. Tom Wolf addressed the members of the Senate and the House of Representatives on Sept. 28 as part of a joint session of the General Assembly, he made one thing vividly clear: Pennsylvania will be the phoenix that rises from the ashes of opioid addiction.

Likely the largest public health crisis that this commonwealth has ever faced, the heroin and opioid addiction epidemic claims lives in Pennsylvania each and every day. 2015 saw almost 3,500 of our family members, our friends, and our neighbors lose the battle to opioid addiction. And more lives will be lost before we truly have a handle on how to wage the most strategic war possible.

Addiction can no longer be an invisible disease, a concealed problem. Invisibility translates into opposing acknowledgement and acceptance: a

A recent joint session of the General Assembly focused on Pennsylvania's heroin and opioid crisis: "Likely the largest public health crisis that this commonwealth has ever faced."

resistance to seeking treatment. Addiction is, after all, a disease like diabetes or cancer or epilepsy, all with accompanying courses of treatment that are tailored to meet the needs of individual patients. Addiction then moves into recovery.

Addiction can enter every home in our commonwealth — quickly, silently and possessively, having a stranglehold with the strength of an army. Addicts are not street junkies. They live in our homes, work in our businesses, and sit in the same pews on Sunday mornings. They are us and we are them.

We cannot legislate our way out of this — nor can we arrest our way out. Opioid addiction needs to be treated like the public health crisis it is, and provided every available resource. To say that lives depend on it is not an exaggeration.

Switching gears now, I want to address a recent ruling by the Pennsylvania Supreme Court that impacts

communities statewide contiguous to casinos. The ruling requires the General Assembly to develop a fix — within no more than 120 days.

At issue is the County Local Share and the Municipal Local Share that casinos pay, translating into \$11 million to Erie County and \$1.2 million to Summit Township, respectively. Of that \$11 million to Erie County, \$5.5 million is used for grant-making by the Erie County Gaming Revenue Authority (ECGRA); and Summit Township has seen over \$12 million in revenues since the opening of Presque Isle Downs & Casino in 2007.

The Court ruling invalidated the Local Share on the grounds that it violates the uniformity clause, therefore nullifying part of the Gaming Act and making it the responsibility of the Senate and the House to resolve.

Both Summit Township and Erie County project the use of these funds in their 2017 budgets, and I can confidently assume the majority of other host municipalities and counties do, as well.

There is a solution to be found within

the General Assembly inside the 120-day timeframe, one that I will share in a later edition of Harrisburg Happenings.

At issue is the County Local Share and the Municipal Local Share that casinos pay, translating into \$11 million to Erie County and \$1.2 million to Summit Township, respectively.

As we are merely weeks away from the November general election, it is important for all of us to be doing our homework about candidates at every level of government. The decisions we will make are too important not to.

Senator Sean D. Wiley can be contacted at SenatorWiley@pasenate.com, and you can follow him on Twitter @SenatorWiley.

Lawmakers urged to protect casino revenue

By Nico Salvatori
Erie Times-News

A recent court ruling eliminating host fees paid by casinos in Pennsylvania has put in jeopardy about \$11 million that Erie County relies on each year to fund projects and operations.

So on Tuesday night, Erie County Council passed a resolution urging Pennsylvania lawmakers to quickly find a legislative solution so that slots revenue from Presque Isle Downs & Casino in Summit-Township continues to flow into county coffers.

The resolution will be sent to the Erie County legislative delegation, to Gov. Tom Wolf, and to the County Commissioners Association of Pennsylvania once it has been signed by Erie County Executive Kathy Dahlkemper this week.

"The loss of gaming revenue will create a multimillion dollar hole in the 2017 Erie County budget and threaten a range of services for our citizens to cease immediately," the resolution reads.

The revenue, made possible by the Pennsylvania Race Horse Development and Gaming Act, has been able to help fund "transformative" projects in the county, said County Councilman Jay Breneman. The

Pennsylvania Supreme Court ruled in late September that the law violated the uniformity provision of the state constitution.

The 2004 gaming law mandates that host municipalities/counties annually receive 2 percent of gross slot machine revenues or \$10 million, whichever is greater. But a lawsuit filed by Mount Airy Casino in the Pocono Mountains argued the assessment violates the state constitution by imposing a heavier tax burden on lower-performing casinos.

The legislature was given 120 days to repair the gaming law because of the potential effect on municipalities in the state. State Sen. Sean Wiley, of Millcreek Township D-49th Dist., said recently that Gov. Tom Wolf could call for additional session days in the legislature to make sure the job

"Too often we are straddled with one stream of funding, which is the ever dwindling property tax," Breneman said at Tuesday's council meeting. "The risk now is that homeowners could be shouldered with an additional burden."

Nico Salvatori can be reached at 870-1714 or by email. Follow him on Twitter at twitter.com/ETNsalvatori.

County Council: State must act now

Legislators urge immediate steps to resolve casino funds issue

By Kevin Flowers
kevin.flowers@timesnews.com

Erie County Council is formally asking the Pennsylvania Legislature to quickly

repair the state's gaming law so gambling revenues the county and other municipalities rely on will continue to flow.

A resolution on council's Tuesday meeting agenda urges state legislators "to immediately fix the local shared gaming funds language" in the law. Council's request

follows a Sept. 28 Pennsylvania Supreme Court decision striking down the host fees paid by casinos statewide.

The county receives about \$11 million annually in slot machine revenues from Presque Isle Downs & Casino in Summit Township under

See GAMING, A5

Erie Times-News | GoErie.com | Tuesday, October 11, 2016 A5

GAMING

Continued from A1

the law, and keeps \$5.5 million. That money is used to fund libraries; award grants to various local agencies; and to make payments on the county's existing long-term debt.

The other \$5.5 million is distributed by the Erie County Gaming Revenue Authority, which invests that money via grants and loans in various economic and community development projects throughout the region.

Erie County Executive Kathy Dahlkemper's \$99.1 million general fund budget proposal for 2017, which council is now considering, includes \$5.5 million in slots revenues once again.

Across the state, municipalities and counties that receive gambling funds are concerned about the future of those revenue streams. The Supreme Court gave state legislators 120 days to repair the gaming law because of the potential effect on

municipalities.

Councilman Kyle Foust, who sponsored the resolution, said that effect and the fact that Erie County and other communities count on yearly gaming revenue is why he and other council members want to see the legislators rectify the issue quickly.

"Obviously this has major financial implications for our county budget that could blow a big hole in it," Foust said. "Plus there's the long-term effect. Gaming money has allowed us to do important projects in this area we probably wouldn't have been able to do otherwise."

The state's gaming law took effect in 2004 and mandates that host municipalities/counties annually receive 2 percent of gross slot machine revenues or \$10 million, whichever is greater. A lawsuit filed by Mount Airy Casino in the Pocono Mountains, however, argued the assessment violates the state constitution by imposing a heavier tax burden on lower-performing casinos.

A copy of the resolution is being sent to local legislators

including state Sen. Sean Wiley, of Millcreek, D-49th Dist., and state Reps. Patrick Harkins, of Erie, D-1st Dist.; Flo Fabrizio, of Erie, D-2nd Dist.; Ryan Bizzarro of Millcreek, D-3rd Dist.; and Curt Sonney, of Harborcreek, R-4th Dist.

It will also be sent to Gov. Tom Wolf's office, as well as to the County Commissioners Association of Pennsylvania.

Harkins said he is confident that "it will be addressed quickly, because it has such a huge effect on communities. I'm supposed to meet with a couple of people (Tuesday) about it.

"This will be a top priority," Harkins said, adding that he has also spoken with Foust and County Councilman Fiore Leone about the gaming law.

County Council meets Tuesday at 7 p.m. in Council Chambers at the Erie County Courthouse, 140 W. Sixth St.

Kevin Flowers can be reached at 870-1693 or by email. Follow him on Twitter at twitter.com/ETNflowers.

Monday, October 10, 2016

Corry area to feel effects of high court gaming ruling

BY KIM LUX
kim@thecorryjournal.com

Under a new Pennsylvania Supreme Court ruling, local counties and municipalities — including the Corry area — are no longer going to receive casino funds.

The Erie County Gaming Revenue Authority is asking local residents to contact their local legislators after the Pennsylvania Supreme Court recently eliminated host fees, which provide grants for community improvement projects.

This decision came after the the court said the current gaming laws violated the nonuniform tax provision in

the Pennsylvania Constitution. State legislators now have four months to fix the gaming laws.

Currently, ECGRA gives out hundreds of thousands of dollars in its three biggest grants that local nonprofits can apply for. These grants are the Mission Main Street grants, the Special Events grants and the Community Assets grants.

Many local nonprofits in Corry rely heavily on money received from these ECGRA grants.

Just recently, the Corry Area Historical Society received about \$3,000 through ECGRA funding.

Impact Corry, the Corry Area Chamber of Commerce, the Corry Community Foundation and other area nonprofits also rely on money from ECGRA each year.

"What we have been able to do in our downtown area over the course of the last few years is all thanks to ECGRA," said Steve Bishop, president of Impact Corry. "It would be a significant blow to us if we are not able to have these funds in the future."

Impact Corry has received money from ECGRA's Mission Main Street grants for the past several years.

"In recent years we've acquired the maximum \$15,000 available from the Mission Main Street grants. This comes with matching funds from our local organizations as well, so we receive about \$30,000 annually," Bishop explained. "That's \$30,000 a year to put toward things for Corry."

Bishop said that Impact Corry has already been looking into applying for the next round of Mission Main Street grants and the application is due in early November.

"I believe that they must have the money to cover these grants," he said. "It will be very troubling for us

to see this money not be available in the future."

Bishop said that he hopes Pennsylvania legislators will be able to find a way to let ECGRA continue receiving the money from the casino, so that ECGRA can continue to help countless local organizations.

"Nothing is ever as easy as it seems when coming up with new legislation," Bishop said. "I just hope that solution can be found so these grants remain available."

ECGRA receives \$5.5 million annually from the Presque Isle Downs & Casino.

10-9-16

Gaming revenue boss to lobby legislators to restore local funding

By Ron Leonardi
Erie Times-News

Perry Wood, the Erie County Gaming Revenue Authority's executive director, plans to meet with several state legislators this week in Harrisburg to push for a new state gaming law he hopes will maintain previous county gaming revenue allocations.

"The message is the gaming funds are an important source of revenue for local economic development efforts, and that the amount needs to stay same and the flexibility of the funds also needs to stay the same," Wood said.

Wood said he will meet Thursday and Friday in Harrisburg with six legislative leaders from the state House and Senate.

"We need to make sure the leadership in Harrisburg know we are paying attention to how they are fixing the state gaming law and that they know the local share of gaming revenue is absolutely essential to economic development and local government," Wood said.

The state Supreme

Court in late September struck down the host fees paid by casinos statewide to counties and municipalities, ruling the previous framework for distributing casinos fees violated the nonuniform tax provision in the Pennsylvania Constitution.

The state Supreme Court is giving state legislators four months to fix the state's gaming law.

The state's previous gaming law, which took effect in 2004, mandated that host municipalities/counties annually receive 2 percent of gross slot machine revenues or \$10 million, whichever is greater.

Erie County has received about \$11 million in revenues annually from Presque Isle Downs & Casino since it opened in Summit Township in 2007.

The county has kept \$5.5 million annually, and the other \$5.5 million has gone to the independent Erie County Gaming Revenue Authority, which evaluates grant and loan requests and distributes money to area nonprofits and other recipients for economic and community

development projects.

Wood said the Gaming Revenue Authority has distributed more than \$40 million in grants and loans since Presque Isle Downs opened in 2007.

"Those funds are driving a lot of new and creative activities," Wood said.

Although the state gaming law is in limbo, there will be no interruption of Gaming Revenue Authority funding distribution the remainder of the year, Wood said.

The Gaming Revenue Authority is expected to announce its next batch of funding recipients Wednesday, he said.

Wood is encouraging area residents to visit his agency's website at www.ecgra.org and to click on the "call to action" link.

"If the legislature can't fix it, we know there will be a \$5.5 million gap in the Erie County budget," Wood said. "We want to be an active agency in resolving this issue."

Ron Leonardi can be reached at 870-1680 or by email. Follow him on twitter at twitter.com/ETNLeonardi.

\$10M in grants to be announced

By David Bruce
david.bruce@timesnews.com

The Erie Community Foundation and two partner agencies will announce the recipients of up to \$10 million in grants on Wednesday.

The funding will be awarded to three entities whose names have not yet been released. The grants

will be given over three years, the foundation said in a news release.

"These are Shaping Tomorrow grants, which are large-scale, evidenced-based projects that have the potential to be transformational," said Pat Herr, the foundation's director of community impact.

Money for the grants

will come from the foundation, the Susan Hirt Hagen Fund for Transformational Philanthropy and the Erie County Gaming Revenue Authority. It is the first year the Hagen Fund has contributed to the Shaping Tomorrow grants.

Recent recipients of Shaping Tomorrow grants include the Erie

School District, Gannon University and Primary Health Network.

The new recipients will be identified on the steps of the foundation, 459 W. Sixth St., at 10 a.m.

David Bruce can be reached at 870-1736 or by email. Follow him on Twitter at twitter.com/ETNbruce.

imes-News | GoErie.com | Tuesday, October 11, 2016 B3

Grants to benefit Erie community college, neighborhood improvement

By David Bruce
david.bruce@timesnews.com

One of the Shaping Tomorrow grants that will be announced Wednesday by the Erie Community Foundation and two partner agencies is earmarked to create and initially fund a community college in Erie County.

Officials with the foundation, the Susan Hirt Hagen Fund for Transformational Philanthropy and the Erie County Gaming Revenue Authority are awarding up to \$10 million in grants to four entities. The announcement will be made at 10:30 a.m. on the steps of the foundation, 459 W. Sixth St.

A portion of the money is scheduled

to go toward creating a community college, said Mike Batchelor, the foundation's president.

"The exact amount is embargoed until Wednesday's announcement, but it's enough money to get the community college up and running," Batchelor said.

Awarding the money isn't enough by itself to open the school. Erie County Council must vote to create the community college.

The foundation has been working with council members, Batchelor said.

The three other projects to receive money include:

A Downtown Innovation District focused on cybersecurity: Money would help create the

district, which would be a partnership among Mercyhurst University, Erie Insurance and the consulting firm McManis & Monsalve and Associates, Batchelor said.

"The initial plans are to create a defined geographic area where businesses and academia can focus on similar projects, in this case cybersecurity," Batchelor said. "The hope is that it spurs community development and helps revitalize the city."

A neighborhood improvement initiative with Gannon University: A grant would pay for improvements to a neighborhood in Erie's west bayfront area, Batchelor said.

"It's a piece of the Our West Bayfront project," Batchelor said,

referring to a collaboration among residents and Gannon University, Housing and Neighborhood Development Service and the Martin Luther King Center. "It's like a pilot program."

An after-school program for Erie public school students: Funds would create after-school programs for Erie students at the city's five neighborhood centers.

"The money would help these centers and the Erie School District coordinate services," Batchelor said. "This grant would really move this project along."

David Bruce can be reached at 870-1736 or by email. Follow him on Twitter at twitter.com/ETNbruce.



October 13, 2016

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

Dear Perry, and the Board of Directors of ECGRA:

On behalf of Veterans Miracle Center Erie's board of directors, and the Veterans we are privileged to serve – thank you for supporting our programs and services with the extension of a Community Assets Grant. We received the check #1921 in the amount of \$8,448.00 – thank you! We are very grateful for the efforts and dollars ECGRA invests into the economic and community development of Erie County to assist non-profits and small businesses alike.

Thanks to the support of generous people like you, much is happening at VMCE:

- Saving over 400 veterans and their families tens of thousands of dollars in clothing, personal hygiene products & housewares
- Locating a warehouse in EBCO Park to house a future furniture adoption program for Veterans
- Exhibiting at the 2016 Stars & Stripes Coed Invitational hosted by Erie Gymnastics to raise awareness (thank you, Erie Gymnastics)
- Exhibiting at Wine on the Lake 2016 – attendees introduced to VMCE
- Hosting a season of Cruise-Ins at VMC Erie, beginning May 19th
- Presenting our 2nd annual Red, White, and Brew fundraiser at The Brewerie at Union Station on May 26th
- Presenting our 2nd annual American Heroes Golf Classic at Lake View County Club
- Launching an emergency program to help the Veterans affected by layoffs at G.E.

Thank you for teaming up with VMCE to help us meet the needs of all those who have served and given up so much for our freedom.

Thank you.

John Kowalczyk – Founder & Director
Veterans Miracle Center Erie

Veterans Miracle Center is a 501(c)3 nonprofit organization, Federal Tax ID #47-2295973.



— SENIOR LIVING —

sarahreed.org

227 West 22nd Street
Erie, PA 16502

p 814-878-2600
f 814-878-2607

October 28, 2016

Mr. Perry Wood
Executive Director
5340 Fryling Road Suite 201
Erie, PA 16510

Dear Perry,

I am writing to thank you and ECGRA for partnering with The Erie Community Foundation to provide a 50% match toward the Technology Grant awarded to Sarah Reed Senior Living. ECGRA's contribution was a wonderful surprise! As you are aware, the funds will allow us to purchase two iN2L adaptive computer systems.

The need for the additional systems is timely, as we anticipate the opening of our expanded skilled nursing facility in early 2017. Because of this grant, we will be able to offer innovative, interactive activity programs to more residents in all of our units more frequently.

As a long standing non-profit organization in Erie, we are grateful for the support of organizations such as yours. The financial resources help ensure our mission of providing quality healthcare, housing, and associated services to residents in a caring and trusted environment.

Again, thank you for supporting Sarah Reed Senior Living and LEAP (Life Enhancing Activity Program). I hope that you will be able to attend one of the open house events for the opening of our expanded facility so we may meet in person, and you can experience all Sarah Reed has to offer. You can expect an invitation once our dates are announced.

Sincerely,

Gale Magyar, NHA CASP
Executive Director

Trusted for Generations

Residential Apartments • Personal Care • Memory Support • Skilled Nursing • Short-Term Rehab

SCHOONER PORCUPINE
BAYFRONT MARITIME CENTER
40 HOLLAND STREET | ERIE, PA 16507
WWW.BAYFRONTCENTER.ORG



September 30, 2016

Dear Perry,

We hope these summer months have been good to you. The Schooner *Porcupine* shipwrights and volunteers have been hard at work in assembling this wonderful vessel. In the past several months the team has accomplished a great deal including installing floors, bunks, and bulkheads. Your generosity has allowed for significant progress towards completing *Porcupine*, the Schoolship for Presque Isle Bay.

As many of you are aware this project began with the generous donation of a 40' fiberglass hull meticulously crafted by an Ohio couple, Keith and Kathy Palmerton, who dreamed of retiring aboard and cruising the world. As their plans changed, the Palmerton's heard about the outstanding work being done at the Bayfront Maritime Center with underserved inner city youth struggling to succeed in school. Their philanthropic gift was the hull including an 85 HP marine diesel engine, and associated equipment.

All the kind and generous donations for Phase 1 of the *Porcupine* amounted to over **\$250,000** in gifts to begin the transformation of the hull and bring this ship to life. We cannot thank you enough for making a difference in the lives of Erie's young people. We are heading into Phase 2, the final construction stage of the *Porcupine* that will finish the vessel, creating an engaging, floating STEM classroom, the first sailing science vessel for area citizens. Young and old alike will grow from this experience. This is an opportunity of a lifetime and we are inviting you to be a part of it.

Phase 2 will be an investment of **\$275,000**. We have already received a **\$25,000** check to get us started in the right direction. Many gifts have been made supporting this next phase of the *Porcupine*. You will find a number of ways your support will make a difference moving forward. Contributions of all sizes are appreciated. There are naming opportunities available to honor and memorialize a loved one on the *Porcupine*. We have enclosed these for you to review. Please take the time to consider partnering with us to allow this final stage of construction and implementation to be a success.

As always, we are grateful for the many ways your generous gifts have made a difference in the lives of BMC students. You have allowed them a second chance to learn and thrive in an engaging environment filled with hope and educational opportunities.

Sincerely,

Rich Eisenberg

Richard Eisenberg
Executive Director

Jennie Hagerty

Jennie Hagerty
Fundraising Coordinator

*Thank you for all your support of BMC.
Please visit anytime to see the great progress.*

The Atlantic

And Now for Something Saner and More Positive: Fresno, Erie

James Fallows

October 12, 2016



James Fallows

Part of the old manufacturing corridor in Erie, Pennsylvania. Manufacturing is still underway in many of these buildings, and the city is in the middle of considering a sweeping plan for economic and civic revitalization.

Not to over-personalize, but I feel as if my life in the past few weeks recapitulates the argument my wife Deb and I have been making in our [American Futures](#) travels.

When I've been embroiled in national politics—which matter!— through [magazine articles](#), or the [Trump Time Capsules](#) or [Trump Nation](#) series, I completely feel the embroiled-ness, and the embattlement, that this campaign has brought to the nation as a whole.

But then Deb and I get to go back to reporting on the aspects of current American life *other* than the national political struggle, and find that even now they remain surprisingly positive. (“Positive” in the same sense I argued in [my cover story back](#) in March: The country has big problems, but in much of the country, most of the time, people feel as if they are moving forward rather than backward in dealing with them.)

Two examples: Last week at this time, I was in Fresno, California, talking with representatives of the [California Partnership for the San Joaquin Valley](#) about the ways their collaborative efforts matched patterns we'd seen elsewhere in the country, from [Maine](#) to [Mississippi](#). I also had a chance to see how far and fast work has progressed on re-doing Fresno's historic Fulton Street Mall, whose saga over the years you can read about starting [here](#) and [here](#). The one sad note in Fresno is that Peeve's Pub, whose founder [Craig Scharton](#) has been a central figure in Fresno's re-imagining of itself, and whose [ups and downs](#) I've tried to chronicle, is in a down phase and has closed its doors. It is missed.

This afternoon I will be in Erie, Pennsylvania—which I mean to compliment by thinking of it as a Fresno of the east—for the “Metro 100” conference on the city's future, co-hosted by Erie's [Jefferson Educational Society](#) and the [Erie County Gaming Revenue Authority](#) (which I've covered in [a previous post](#)). That conference is followed by [an evening public session](#) from the Jefferson on actually implementing Erie's new civic-revival plan. If you're in the area, come on by!

As a “Do not despair!” note to myself during the extremity of this presidential campaign; as a thought-organizer before this afternoon's conference in Erie; and as a little glimpse for readers of the *richness* of what Deb and I have been finding around the country, here is a sample of the things we would already have written if the campaign weren't destroying my brain, and that we will get to once it's over.

From Erie and its environs:

- the history of this Jefferson Society, which plays a very unusual role that could set an example for other cities with similar challenges;
- the structural cruelty of the funding system for the Erie public schools, which should be a shame to the state of Pennsylvania and is a cautionary example for other parts of the country;
- the role of a tech collaborative called [Radius CoWork](#), and what it has done to make open new entrepreneurial possibilities in a city shifting out of its heavy-manufacturing, GE-dominated era;
- how the local [Behrend campus](#) of Penn State has worked with advanced-manufacturing plants in the region to connect local workers with higher-wage skilled jobs;
- how a particular [high-value local manufacturer](#) has grown and thrived;
- why the company that is now the city's largest private employer, [Erie Insurance](#), has stayed in the area and redeveloped a significant chunk of downtown;
- how a [publication](#) that started as a local alt-weekly has developed;
- and some other things.

There's a similar list of upcoming stories from western Kansas, including the surprising effects of the "[Why not Dodge?](#)" campaign in Dodge City, and the growth of local distilleries and breweries there. And more from Alabama, Texas, and beyond.

I tell myself, with 27 days to go until the election, Don't despair! Better things are happening than what dominates the news—and has dominated my own recent output. I tell readers too: Don't despair! Will provide more evidence for that assertion soon.

Meanwhile, see you tonight in Erie.

ABOUT THE AUTHOR



[James Fallows](#) is a national correspondent for *The Atlantic* and has written for the magazine since the late 1970s. He has reported extensively from outside the United States and once worked as President Carter's chief speechwriter. His latest book is *China Airborne*.

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RESOLUTION NUMBER 22, 2016

Resolution to enter into agreements with three (3) applicants to the Mission Main Street Grant Program

Whereas, the Regional Assets Committee recommended to the Board of Directors and subsequently did pass a set of guidelines, an online application, match requirements, and eligibility requirements to provide funding support for Erie County's main streets; and

Whereas, there were three (3) applicants for funding, and the Board of Directors affirms that three (3) applicants have met the funding eligibility; and

Whereas, the three (3) Mission Main Street applicants are identified as Downtown North East, Inc.; Erie Downtown Partnership; and Impact Corry, and

Whereas, the eligible applicants are awarded grants totaling \$45,000 to the extent outlined in the attached Exhibit "A";

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, enters into agreements with three (3) Erie County Mission Main Street applicants so they may flourish, create an economic impact on the region through tourism, and continue to enrich the quality of place we all call home: Erie County, Pennsylvania.

On the motion of _____, seconded by _____.

This resolution was passed on the 8th day of December, 2016 by a vote of ____ - ____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman
Erie County Gaming Revenue Authority

December 8, 2016

ATTEST:

Secretary
ECGRA



2016 Mission Main Street

Organization	Amount Requested	County Council District	First Name	Last Name	Email Address	Project Name
Downtown North East, Inc.	\$15,000.00	District #5	Charlene	Kerr	jrp44@reagan.com	Downtown Facade Improvement Program--Round 3
Erie Downtown Partnership	\$15,000.00	District #2	Christina	Katen	christina.katen@eriedowntown.com	Erie Downtown Facade Grant Program
Impact Cory	\$15,000.00	District #6	Steven	Bishop	president@impactcory.com	Development of downtown railroad property



RESOLUTION NUMBER 23, 2016

Resolution to Disburse a Blended Funding Model for Erie County's 9 Lead Assets for the 2017 Calendar Year

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, will disburse \$646,814 in funding to Erie County's Lead Assets in the amounts in attached Exhibit "A". The blended funding model will consist of funds from the Erie County Lead Assets Endowment fund balance in the amount of \$404,400 and from a Lead Assets contingency fund in the amount of \$242,414.

On the motion of _____, seconded by _____.

This resolution was passed on the 8th day of December, 2016 by a vote of ____ - ____

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman
Erie County Gaming Revenue Authority

December 8, 2016

ATTEST:

Secretary
ECGRA



Lead Assets Distributions

Based on Forms 990 Average Total Expenses

For Years 2012, 2013, 2014

Lead Asset	Average Expenses	Percentage Represented	Recommended Distributions	Current Distribution	Difference	Percentage of Expenses
Erie Art Museum	\$1,488,625	13.0%	\$84,086	\$86,672	(\$2,586)	5.65%
Erie Arts & Culture	\$1,019,025	8.9%	\$57,566	\$63,677	(\$6,111)	5.65%
Erie County Historical Society	\$563,254	4.9%	\$31,694	\$37,341	(\$5,647)	5.63%
Erie Philharmonic	\$1,268,883	11.1%	\$71,796	\$80,855	(\$9,059)	5.66%
Erie Playhouse	\$1,214,155	10.6%	\$68,562	\$81,664	(\$13,102)	5.65%
Erie Zoological Society	\$3,382,555	29.6%	\$191,457	\$184,930	\$6,527	5.66%
expERIENCE Children's Museum	\$345,298	3.0%	\$19,405	\$28,075	(\$8,670)	5.62%
Flagship Niagara League, The	\$1,401,935	12.2%	\$78,911	\$33,533	\$45,378	5.63%
Mercyhurst Institute for Arts & Culture	\$762,685	6.7%	\$43,337	\$50,065	(\$6,728)	5.68%
	\$11,446,415	100.0%	\$646,814	\$646,812		



RESOLUTION NUMBER 24, 2016

Resolution to Approve the Employment Contract of the Executive Director

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, approves the contract of the Executive Director, for the conduct of its business, to the extent outlined in the attached Exhibit "A".

On the motion of _____, seconded by _____.

This resolution was passed on 8th day of December, 2016 by a vote of ____ - ____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman
Erie County Gaming Revenue Authority

December 8, 2016

ATTEST:

Secretary
ECGRA



EMPLOYMENT AGREEMENT ("AGREEMENT")

BETWEEN

ERIE COUNTY GAMING REVENUE AUTHORITY ("AUTHORITY")

AND

PERRY WOOD ("WOOD")

WHEREAS, the Authority and Wood desire to continue the Authority's employment of Wood as its Executive Director;

WHEREAS, the parties wish to confirm the terms of Wood's continued employment.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein, and intending to be legally bound hereby, the parties mutually agree as follows:

1. Employment. The Authority hereby agrees to continue employing Wood as its Executive Director, and Wood hereby accepts employment in the position, pursuant to the provisions set forth herein.

2. Term of Employment. Wood's employment hereunder shall continue for a period of three (3) years from April 1, 2017, or unless terminated sooner pursuant to paragraph 5 hereof.

3. Duties and Responsibilities.

(a) Wood shall continue to have the duties and responsibilities normally assigned to him in the past, subject to modification from time to time by the Authority, including, but not limited to:

- (i) supervising and managing the business affairs of the Authority;
- (ii) supervising and managing the employees of the Authority;
- (iii) implementing policies and procedures established by the Authority;
- (iv) developing and recommending the implementation of policies and procedures to the Authority;
- (v) monitoring and accounting for the monthly income and operating expenses of the Authority and providing monthly

reports to the Authority reflecting such income and operating expenses;

- (vi) preparing annual budgets, statements of financial condition and other financial reports in coordination with the Treasurer and the Authority's accountant;
- (vii) developing and recommending the implementation of a grant application process, including project applications, policies, procedures and guidelines relating to the disposition of gaming revenue, to the Authority, in coordination with Authority committees;
- (viii) evaluating grant applications for gaming revenue and recommending project applications and applicants to the Board, in coordination with Authority committees;
- (ix) developing and evaluating contracts and agreements in conjunction with the Authority's solicitor and, with the consent of the Authority, entering into contracts and agreements on behalf of the Authority;
- (x) serving on Authority committees and, with the consent of the Authority, serving on community task forces and other community groups;
- (xi) securing documents generated by the business operations of the Authority, including, but not limited to, the Authority's Charter, Bylaws, Rules and Procedures, Minutes and Resolutions, Authority policies and procedures, financial documents, agreements, grant applications, policies and procedures, application materials, exhibits and correspondence, and all other business records;
- (xii) managing, monitoring and reporting to the Authority with respect to the status of contracts approved by the Authority, distributed gaming revenue and projects awarded by the Authority;
- (xiii) developing and presenting to the Board, within three (3) months of complete execution of this Agreement, a metrics system by which Wood's performance shall be measured, subject to Board approval; and
- (xiv) performing faithfully, and to the best of his abilities, such other duties and obligations as may be assigned to him by the Authority from time to time.

(b) Wood's employment will be generally in accordance with the Authority's policies and procedures;

(c) Wood will report to the Board of Directors;

(d) Wood shall devote his exclusive, full-time efforts to the faithful, efficient and competent performance of his duties;

(e) Wood will promote the success and reputation of the Authority at all times and avoid all activities which are detrimental to the success and/or reputation of the Authority; and

4. Compensation, Insurance and Other Fringe Benefits. The Authority will provide Wood with the following:

(a) Compensation. Wood will receive an annual salary of ninety-one thousand five hundred thirty dollars (\$91,530.00), payable in accordance with the Authority's usual payroll practices. Wood's salary shall be subject to a minimum annual increase equal to the annual percent change of the *CPI-U U.S. City Average: All Items Not Seasonally Adjusted, 1982-84 = 100 Reference Base*.

(i) The minimum annual increase shall be calculated through utilizing the following methodology:

Subtract the semiannual average index for the 2nd half of the preceding year from semiannual average index of the 2nd half of two years prior to determine the index point change. Divide the percent change of the 2nd half of two years prior (denominator) by the index point change (numerator) and multiply the result by 100% to determine the CPI-U change for the year.

(ii) Example Calculation:

CPI-U for 2 nd half 2012:	230.338
CPI-U for 2 nd half 2011:	<u>226.280</u>
Index point change:	4.058
Divided by 2 nd half 2011:	226.280
Equals:	.017934
Result x 100:	1.793353
Equals percent change:	1.8%

(b) Compensation Increase in Excess of Minimum Annual Increase.

In the Board's sole discretion, Wood may receive a salary increase in excess of the minimum salary increase. Any such increase, if offered by the Board, shall be based upon Wood's performance during the previous year as measured by the metrics system created and approved pursuant to Section 3(a)(xiii) of this Agreement. In no case shall any increase in excess of the minimum annual increase exceed three percent (3%) of the previous year's base salary.

(c) Insurance and Other Fringe Benefits.

The Authority shall provide Wood with a quarterly benefit offset payment of three thousand one hundred seventy-five dollars (\$3,175.00) in lieu of Wood availing himself of certain fringe benefits offered to other similarly situated employees of the Authority pursuant to its Personnel Policy. Such fringe benefits include medical, dental, and vision coverage and long and short term disability insurance. This benefit offset payment specifically does not include any retirement benefit offered by the Authority. The benefit offset payment may be reduced, in an amount determined by the Authority, in the event Wood avails himself of any or all of the fringe benefits identified in this paragraph.

(d) Expenses.

The Authority shall reimburse Wood for all out-of-pocket expenses incurred by him in the performance of his duties pursuant to this Agreement, and for any other expenses in excess of five hundred dollars (\$500.00) that have been authorized in advance by the Authority. Expense reimbursement shall be in accordance with the Authority's Personnel Policy. For the purposes of this provision, "out-of-pocket expenses" shall be determined to be those unbudgeted and individual purchases of goods or services that are necessary for the day-to-day operations of the Authority.

5. Termination.

(a) Termination for Cause.

Wood's employment is subject to immediate termination in the event he engages in any of the following:

- (i) Conduct that results in an investigation or legal proceedings against the Authority by a federal, state, county or municipal regulatory agency that results in a final negative finding or conviction;
- (ii) Negligent or intentional conduct that threatens to bring Wood or the Authority into public disrepute, contempt, scandal or otherwise jeopardizes the reputation and/or success of the Authority;
- (iii) Commission of, conviction of and/or guilty plea of a felony;
- (iv) Material acts of theft, breach of fiduciary duty, or gross negligence;
- (v) Gross negligence and/or failure to satisfy his obligations under this Agreement, which is not corrected by Wood within

fifteen (15) days of his receipt of written notice by the Authority.

In the event Wood's employment hereunder is terminated for cause, he shall be entitled to payment of his salary and any applicable benefits through the date of separation but nothing further.

(b) Termination for Lack of Funding. The Authority shall have the right to terminate Wood's employment immediately in the event the Authority is dissolved, terminated or defunded. Should Wood's employment be terminated pursuant to this subparagraph, he shall be entitled to payment of his salary and any applicable benefits for a period of 180 (180) days from the date upon which the Authority notifies him, in writing, of its intent to terminate his employment.

6. Death or Disability of Wood. In the event Wood becomes disabled from the performance of his obligations under this Agreement, or dies during the term of this Agreement, his employment hereunder will be subject to termination and his right to any further compensation and benefits will cease. "Disability" will mean failure of Wood to fully perform his duties on a full-time basis for ninety (90) consecutive days as a result of Wood's incapacity due to physical or mental illness or injury.

7. No Conflict. Wood represents and warrants to the Authority that neither Wood's performing any obligation pursuant to this Agreement, nor the Executive's employment by the Authority, whether before or after the date of this Agreement, will violate or conflict with any obligation Wood has to any other person. If such representation or warranty is untrue or misleading in any respect, Wood shall indemnify and hold harmless the Authority from and against all claims, costs, damages, expenses, indebtedness, liabilities, and losses incurred by the Authority or arising in connection therewith.

8. Notice. Any notice required by this Agreement must be in writing and shall be considered given when mailed by registered mail, return receipt requested, to the following:

Authority: Erie County Gaming Revenue Authority
5240 Knowledge Parkway, Suite 1
Erie, PA 16510

Wood: Perry Wood
5763 Platinum Drive
Erie, PA 16510

9. Waiver. Waiver by the Authority of a breach of any provision of this Agreement by Wood shall not be considered as a waiver by the Authority of any subsequent breach by Wood.

Authority Wood

10. Assignment. All rights and obligations under this Agreement shall be personal to Wood and shall not be assignable by him. The rights and obligations of the Authority under this Agreement shall inure to the benefit of and shall be binding upon the Authority and its assigns.

11. Entire Agreement. This Agreement, including all attachments, contains the entire understanding between the parties hereto. There have been no oral or other agreements of any kind whatsoever as a condition, precedent or inducement to the signing of this Agreement or otherwise concerning this Agreement or the subject matter hereof. Any prior communications between the parties, including the Authority's representatives, which are not included in this Agreement, are not binding.

12. Modification. No changes, modifications or alterations of any of the terms and provisions contained in this Agreement shall be effective unless changed, modified or altered in writing and signed by both parties hereto.

13. No Third Party Rights. Nothing in this Agreement shall be construed as created or giving rise to any rights to any third parties or any persons other than the parties hereto, with the exception of the Authority.

14. Severability. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions are not contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to time, geographical scope, activity or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear in the jurisdiction.

15. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania. All disputes arising under this Agreement shall be brought in either the Court of Common Pleas of Erie County, Pennsylvania or the United States District Court for the Western District of Pennsylvania, Erie Division.

16. Headings. Any headings preceding the text of the paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

[SIGNATURE PAGE TO FOLLOW]

Authority Wood

Executed by the parties this ____ day of _____, 20__, intending to be legally bound.

WITNESS/ATTEST:

PERRY WOOD

WITNESS/ATTEST:

ERIE COUNTY GAMING REVENUE
AUTHORITY

BY _____

1763482.v1



RESOLUTION NUMBER 25, 2016

Resolution to Approve the 2017 Finance and Board Meetings Schedule

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, approves the 2017 Finance and Board Meetings Schedule as outlined in the attached Exhibit "A".

On the motion of _____, seconded by _____.

This resolution was passed on 8th day of December, 2016 by a vote of ____ - ____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman
Erie County Gaming Revenue Authority

December 8, 2016

ATTEST:

Secretary
ECGRA



2017 Meeting Schedule

Board of Directors' Meetings

Meetings are held in the Jordan Room, 5240 Knowledge Parkway, Erie, PA 16510 unless an alternate location is listed below. Board meetings begin at 8:30 a.m. on the second Thursday of each month, except for the months with quarterly finance meetings. In those instances, the board meeting will begin at the conclusion of the finance meeting.

Finance Committee Meetings

Meetings are held in the Jordan Room, 5240 Knowledge Parkway, Erie, PA 16510. Finance Committee Meetings begin at 8:00 a.m. on the second Thursday of each quarter.

Finance Committee Meetings	Board of Directors' Meetings
January 12 th	January 12 th
	February 9 th
	March 9 th – Special Events – <i>First Floor; 23 W 10th St; Erie 16501 / Erie Playhouse; 13 W 10th St</i>
April 13 th	April 13 th – Annual Meeting
	May 11 th
	June 8 th
July 13 th	July 13 th
	August 10 th
	September 14 th – Community Assets – <i>Erie Zoo Board Room; 423 W 38th St; Erie 16508 / Adventure Center</i>
October 12 th	October 12 th
	November 9 th
	December 14 th – MMC

Contact Diane Kuvshnikov to clarify any scheduling issues:

Erie County Gaming Revenue Authority
 5340 Fryling Road, Suite 201
 Erie, PA 16510
 (814) 897-2690
 (814) 897-2691 (fax)

Board of Directors

David S. Sample
Chair

Michael J. Paris
Vice-chair

Charles J. Peters
Treasurer

David H. Yaple
Secretary

David M. Bagnoni

Dale E. Barney

James T. Domino

Jay A. Breneman
Ex-officio

Gary N. Lee
Ex-officio

Perry N. Wood
Executive Director

