



MEETING OF THE BOARD OF DIRECTORS
Knowledge Park; 5240 Knowledge Parkway; Erie, PA 16510
November 9, 2017

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES –October 2017
5. COMMENTS BY CHAIRMAN
6. PUBLIC COMMENT
7. PRESENTATION
 - a. BEST – Jeremy Bloeser
 - b. Up for the Job – Kate Phillips and Gary Lee
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 Number 13, 2017 – Resolution to enter into a four-year contract for annual auditing services with MaherDuessel, CPA
- b. Discussion of the Neighborhood and Infrastructure Revitalization Fund (see handout)

13. ADJOURNMENT

Next Regularly Scheduled Board Meeting of ECGRA

Date: Thursday, December 14, 2017
Time: 8:30 a.m.
Location: Knowledge Park; 5240 Knowledge Parkway; Erie, PA 16510



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
October 12, 2017

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on October 12, 2017 in the Jordan Room; 5240 Knowledge Parkway; Erie, PA 16510. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Bagnoni, Mr. Domino (arrives late), Mr. Paris, Mr. Sample, and Mr. Yaple. 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. Yaple seconds the motion. Motion carries 4-0.

APPROVAL OF MINUTES – September 2017

Mr. Yaple makes a motion to approve the minutes. Mr. Paris seconds the motion. Motion carries 4-0.

COMMENTS BY THE CHAIR

Mr. Sample: I have never been involved in a process that took so long to get nowhere. Hopefully it's coming to an end and we can just keep putting in what we put in and hope that everything works out for the good of Erie County.

PUBLIC COMMENT

No public comment.

PRESENTATIONS

No presentation.

COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Wood: In the absence of the Treasurer I will give the report if that's okay, Mr. Chairman.

We are halfway through the financials for the year; we're at the six-month mark. If you look at the Profit & Loss Statement, you'll see there is no gaming revenue flowing since that ceased to flow as of the end of May 2017. Therefore, I cannot give you any projections about gaming revenue based upon the fact that the legislation has not been resolved. However, the interest income from the Enterprise Development Fund and Bridgeway Capital does continue to flow as revenue.

We are on budget for our expense categories. The grant categories to date, including settlements, totals about \$1.1M this fiscal year. If you look at the Balance Sheet, you'll see the Notes Receivable are in order; uncommitted, committed, and restricted funds – that's how we decided to show the break-down of funds to correspond with our Grant Reserve Report.

There's the Cash Flow Report and then there is the Budget vs. Actual. We should be at about 50% for most categories since we're halfway through the fiscal year. Of course, if there are any questions about the Budget vs. Actual and the expenses, I would be happy to answer them.

Looking over at the Grant Reserve Report, we do have \$8.2M in uncommitted and \$3.3M in committed funds. You'll see there that the second quarter figures for the restricted funds are light by thirty days, and the third quarter gaming funds aren't in yet; technically they should have been in soon but those will not be in because of the Legislature.

Grant disbursement details by category – if you have any questions, I would be more than happy to answer them. The end section shows total committed funds - original commitments of \$4.3M, and about \$3.3M remaining. We added that new column in there so you can compare the original commitment and the amount remaining.

Then the Check Detail Report. The most significant thing we see on the Check Detail are the payouts of the 2017 Community Assets Grants that we just awarded at the last meeting.

Mr. Sample: Are there any questions of the financials?

Mr. Paris makes a motion to approve the financials. Mr. Yapple seconds the motion. Motion carries 4 – 0.

- b. Regional Assets Committee: Mr. Wood: Mr. Barney is not here. Regional Assets has not met since the last Board Meeting. However, we did wrap up the Community Assets at the last Board Meeting. This month, you will see on the agenda, is Mission Main Street, and if you pass the Resolution, the Guidelines will open up. Tom Maggio has been very active in pursuing some Mission Main Street projects with stakeholders throughout the community. If you recall, the last time we opened this up we saw a significant dip, especially in the municipalities. We have been reaching out and talking to the municipalities about their ability to get matching funds. We've also extended the deadlines an extra two weeks, so instead of awarding it in December we will be awarding it in January at the same time we're opening up the Special Events Grants for 2018.

It is still on our radar to look at the future of Mission Main Street. There are certainly some similarities between municipalities that apply but there are some disparities as well.

Mr. Paris: Is there any interest in Mission Main Street?

Mr. Wood: Based on phone calls, I would say some.

Mr. Maggio: There is money available for historic preservation, but people aren't sure how to access it yet. Melinda Meyer is someone who has been approached about helping to write grants for people to access mission main street funds.

Mr. Yapple: It seems like there is money out there but it is too hard to get; it's easy to get overwhelmed.

Mr. Sample: The question I have is that for Impact Corry, it might have been better, they may have been able to free-up some money had they applied under this; freed-up some money that some other people would have been better served. Last time, we awarded them \$9,000 for a tree project. I'm sorry, that was the Historical Society, but it was for the County so they probably couldn't even apply. It might have freed-up some money for some other groups, especially if they write a light application. I would like to set something up with you and Perry and some others from Corry, and maybe one of the Council members. Corry could use these funds; they're just overwhelmed on the admin end and if they could just get help from somebody else who could handle it. Even Novotny, with the Corry Redevelopment Authority. I forward these things to Jason and I know he gets them and I tell him if he needs help with it to let us know.

Mr. Wood: We are more than happy to do that. We would like to see some new collaboration. In the past, we've done focus groups but we would like to see what we can do differently. We always get accolades for our simplicity of applying to ECGRA, but that enthusiasm is limited to groups with full time main streets groups. Municipalities for example don't always have the capacity to administer main street funds.

Mr. Sample: The problem is waiting; you've got a Council who doesn't vote anybody out because they know they're supposed to be having a checks and balances and they don't want to screw anything up before the end of the year. So, they're fighting it through the courts, so to say. If we can meet with the Union City manager and others and tell them, I think those are the people we're not getting to.

- c. Strategic Planning Committee: Mr. Paris: We have nothing to report but Perry and I are trying to figure out a time that we can meet soon.
- d. Update from County Council: None.
- e. Update from County Executive's Office: Mr. Lee: Thank you Mr. Chairman. There are a couple points that I want to highlight. First of all, the Up for the Jobs Initiative, we're excited about that. There was a little confusion dealing with the contracting process but we got that straightened out we're ready to go. Ten 53 Newton, LLC was the successful proposer and we are going to be meeting with Kate Phillips, she oversees that particular group, on Monday to kick-off the process.

The main point for this particular collaboration, as you recall the Chamber is involved, the County is involved, the local Union here at GE is involved, as well as the Governor's Action Team and the Department of Labor, and the United Way. There are about six or seven institutes involved. What we're attempting to do is market the workforce that we have here to the greater world in hopes of attracting a company to consider coming here. This is the original agreement for six months; we're going to review it after those six months and see where we proceed, but this very first six months is going to be an exciting time and we're really excited about this initiative.

Secondly, the Community College; we had a public hearing by the State Department of Education, they came up on Tuesday. It was a very positive meeting; you had to register in advance and had up to five minutes. It was not a question and answer format, it was just for

the Special Committee to hear the pros, the cons, and anything else from the citizens. There were about 100 people in attendance; 47 individuals had signed up and I believe the final count was 43 who presented.

The overwhelming response was positive, which is good. I still have to remind everyone that this is a process; it can take up to one year from the time that we submitted the application, which was June 30, 2017. The Special Committee will be providing recommendations to the full committee. The three things they are going to be looking at are: 1) to make sure that Erie County can support the College as far as the projections of enrollment and to make sure that we have the compilation to do that, 2) as they put it, the wealth to financially support the College, so they will be looking at the finances very closely that the County has provided, and 3) they are going to be looking to make sure that the County has not "adequate higher education institutions" that can currently serve the needs. Those are the three main criteria.

They are also reaching out to the Governor's Office asking the Governor if he plans to put it in this coming budget. It's going to be a very strenuous and tedious process. The County is going to continue to work along with this process because we see the value. Some of the main cons from the meeting was about financing and how the College was going to be paid for. That is a moving target; what I mean by that is we have identified some avenues, mainly in the gaming funds, and since that has not been finalized, we don't know how that is going to turn out. But that is one of the main areas the County has identified.

Does anyone have any questions?

Mr. Sample: Gary, I apologize for my ignorance in this but have they come to a resolve between the Community College and the Rural College? We were told they were moving beyond that but I just never heard the results.

Mr. Lee: Mr. Chairman, that's a good question. There were eight from the Rural Regional College that had signed up to speak at the public hearing. From my personal perspective, it was really disheartening to hear some of the comments because the County, in particular the County Executive's Office along with Council because they are a part of this process as well, has reached out to the Rural Regional College to sit down; we have sat down on a couple of occasions. There seems to be a major disconnect; the Rural Regional College looks more at the Community College as competition. It looks at the Erie County Community College as saying, "We don't need one because we're going to be servicing that need."

In the College application and the Feasibility Study, it addresses the need, for Erie County in particular, our needs are different needs than the other eight counties. The Rural Regional College is representing nine counties, so the two courses that the Rural Regional College have offered in Erie County has really been geared toward students who are either going to college, like they are in high school and are taking a college course to get a little further ahead, or students who are currently in college and want to pick up a class over the summer.

Not to say that that's going to change; they have shared with us that eventually they are going to get into offering more technical courses; they are looking at various programs but it's just going to take them time.

From the County, we look at this not as an and/or; we look at this together. I think that the Rural Regional College can complement the Erie County Community College if it goes through, and vice versa. The feed-back that we have received from Empower Erie, because Empower Erie was the one who put the college application together and the Feasibility Study, is that they have reached out as well to the Rural Regional College to share with them that they want to work together.

The bottom line is that this continues to be an ongoing conversation that needs to happen; I still think that there needs to be some ease from the Rural Regional College that the Erie County Community College will not replace the Rural Regional College; we can work together.

Mr. Sample: I'm not really sure that some of our citizens can get to the Community College; there needs to be a satellite facility. The Rural College, is in fact, located in Corry for the high school and higher ed.

I appreciate the comments on that and it's good to know where it's headed.

Mr. Lee: If I could just speak to the fact of a satellite; I know in the Erie County Community College application, they have identified several satellites. Corry would be one of them. From our administration, we want to make sure that this is truly a county College because the County is sponsoring it so we want to make sure that the entire County is represented and we want to make sure that the entire County is served. Thank you.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Wood:

(Due to audio malfunction, recording was incomplete)

Executive Director covered the following:

- 1855 Capital
- PACA
- Historic Preservation Workshop
- Meeting with Jim Ghrelien, Harry Brown, & Jim Domino on the EDF

SOLICITOR'S REPORT

Mr. Wachter: Nothing to report.

OLD BUSINESS

Mr. Wood: I just wanted to give you an update on the auditors. We did propose to enter into a four-year agreement with MaherDuessel; we are still waiting for that proposal. When we get that proposal, we will bring it in the form of a Resolution for the Board to vote on.

NEW BUSINESS

- A) Resolution No.12: Resolution to Adopt the 2017-2018 ECGRA Regional Assets Guidelines and Application for Mission Main Street.

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

ADJOURNMENT

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



Erie County Gaming Revenue Authority
Profit & Loss
October 2017

	<u>October</u>	<u>YTD</u>	<u>Budget YTD</u>	<u>2017-18 Budget</u>
Ordinary Income/Expense				
Income				
44800 · Gaming Revenue		426,612.64		
46400 · Other Types of Income				
46410 · Interest Income - Savings	7,370.43	45,606.73		
46420 · Interest Income - EDF #1	3,750.00	11,250.00		
46421 · Interest Income - EDF #2	6,000.00	18,000.00		
46422 · Interest Income - BWC		15,250.00		
46424 · Interest Income - Progress Fund	9,890.55	9,890.55		
Total Income	<u>27,010.98</u>	<u>526,609.92</u>		
Expense				
62100 · Contracted Services	7,946.30	59,584.67	74,433.31	127,600.00
62800 · Facilities & Equipment	1,512.89	10,975.10	13,760.81	23,590.00
65000 · Office Administration	533.27	18,349.35	16,479.12	28,250.00
65100 · Other Types of Expenses	2,842.55	63,072.01	34,708.31	59,500.00
66000 · Payroll Expenses	14,404.41	119,113.20	126,116.62	216,200.00
Total Expense	<u>27,239.42</u>	<u>271,094.33</u>	<u>265,498.17</u>	<u>455,140.00</u>
Net Ordinary Income	(228.44)	255,515.59		
Other Income/Expense				
70000 · Grants / Settlements				
70030 · Community Assets		150,518.00		
70050 · Municipal Settlements		106,653.16		
70060 · Human Services		19,500.00		
70070 · Special Events		171,014.05		
70090 · Multi-Municipal Collaboration		238,350.00		
70120 · Summer Jobs Program	3,661.99	136,178.42		
70130 · Small Business Financing				
70136 · Ingnite Erie Industry + University		250,000.00		
70150 · Shaping Tomorrow				
70153 · Community College		15,000.00		
70157 · Innovation District		25,000.00		
Total 70000 · Grants / Settlements	<u>3,661.99</u>	<u>1,112,213.63</u>		
Net Other Income	<u>(3,661.99)</u>	<u>(1,112,213.63)</u>		
Net Income	<u>(3,890.43)</u>	<u>(856,698.04)</u>		



Erie County Gaming Revenue Authority
Balance Sheet
As of October 31, 2017

	October
ASSETS	
Current Assets	
Checking/Savings	
10000 · ErieBank - Checking	119,964.37
10100 · ErieBank - Savings	
10100 · Uncommitted Funds	7,786,057.47
10101 · Committed Funds	3,337,704.58
10102 · Restricted Funds	426,612.64
Total 10100 · ErieBank - Savings	11,550,374.69
Total Checking/Savings	11,670,339.06
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	18,846.25
12004 · Note Receivable - BWC	1,000,000.00
12005 · Note Receivable - Progress	1,000,000.00
Total 12000 · Notes Receivable	3,318,846.25
14500 · Prepaid Insurance	2,437.97
Total Other Current Assets	3,321,284.22
Total Current Assets	14,991,623.28
 TOTAL ASSETS	 14,991,623.28
 LIABILITIES & EQUITY	
Equity	
30000 · Opening Balance Equity	2,927,064.18
32000 · Unrestricted Net Assets	12,921,257.14
Net Income	(856,698.04)
Total Equity	14,991,623.28
 TOTAL LIABILITIES & EQUITY	 14,991,623.28



Erie County Gaming Revenue Authority
Statement of Cash Flows
October 2017

	<u>October</u>
OPERATING ACTIVITIES	
Net Income	(3,890.43)
Adjustments to reconcile Net Income to net cash provided by operations:	
14500 · Prepaid Insurance	<u>812.66</u>
 Net cash provided by Operating Activities	 <u>(3,077.77)</u>
 Net cash increase for period	 (3,077.77)
Cash at beginning of period	<u>11,673,416.83</u>
 Cash at end of period	 <u><u>11,670,339.06</u></u>



Erie County Gaming Revenue Authority
Budget vs. Actual
October 2017

Expense	October	YTD	Budget	Over/(Under) Budget	% of Budget
62100 · Contracted Services					
62110 · Accounting Fees	0.00	6,534.00	6,500.00	34.00	100.52%
62120 · Government Relations Services	4,806.40	18,004.27	50,000.00	(31,995.73)	36.01%
62130 · Professional Services	0.00	20,400.20	36,000.00	(15,599.80)	56.67%
62140 · Legal Services	3,060.00	12,254.30	30,000.00	(17,745.70)	40.85%
62145 · Website Design	0.00	1,753.50	4,000.00	(2,246.50)	43.84%
62150 · Payroll Services	79.90	638.40	1,100.00	(461.60)	58.04%
Total 62100 · Contracted Services	7,946.30	59,584.67	127,600.00	(68,015.33)	46.70%
62800 · Facilities & Equipment					
62840 · Office Equipment	35.20	1,564.16	5,000.00	(3,435.84)	31.28%
62850 · Janitorial Services	90.80	1,089.60	590.00	499.60	184.68%
62890 · Rent	1,386.89	8,321.34	18,000.00	(9,678.66)	46.23%
Total 62800 · Facilities & Equipment	1,512.89	10,975.10	23,590.00	(12,614.90)	46.52%
65000 · Office Administration					
65010 · Books, Subscriptions, Dues	163.05	2,901.61	5,000.00	(2,098.39)	58.03%
65020 · Postage	15.99	554.86	600.00	(45.14)	92.48%
65030 · Printing	0.00	695.00	1,250.00	(555.00)	55.60%
65040 · Office Supplies	19.10	1,252.38	2,800.00	(1,547.62)	44.73%
65050 · Cell Phone	0.00	910.60	2,200.00	(1,289.40)	41.39%
65060 · Copier Lease	182.00	1,124.00	2,100.00	(976.00)	53.52%
65070 · Copier Printing Costs	152.70	1,652.03	3,500.00	(1,847.97)	47.20%
65080 · Bank Fees	0.00	56.98	50.00	6.98	113.96%
65085 · Professional Development	(195.00)	6,322.00	5,000.00	1,322.00	126.44%
65090 · Meeting Expenses	195.08	2,713.41	5,500.00	(2,786.59)	49.33%
65095 · Miscellaneous Expense	0.35	166.48	250.00	(83.52)	66.59%
Total 65000 · Office Administration	533.27	18,349.35	28,250.00	(9,900.65)	64.95%
65100 · Other Types of Expenses					
65105 · Outreach	151.05	8,294.69	12,000.00	(3,705.31)	69.12%
65110 · Advertising	0.00	7,421.12	12,000.00	(4,578.88)	61.84%
65115 · Phone/IT/Fax	1,878.84	9,060.52	18,000.00	(8,939.48)	50.34%
65120 · Insurance	812.66	5,688.62	9,500.00	(3,811.38)	59.88%
65130 · Grant Management Software	0.00	9,200.00	0.00	9,200.00	100.00%
65150 · Travel	0.00	3,562.72	8,000.00	(4,437.28)	44.53%
65160 · Special Projects	0.00	19,844.34	19,844.34	0.00	100.00%
Total 65100 · Other Types of Expenses	2,842.55	63,072.01	79,344.34	(16,272.33)	79.49%
66000 · Payroll Expenses					
66005 · Salaries & Wages	12,969.05	107,155.35	194,000.00	(86,844.65)	55.23%
66010 · FITW Tax	997.29	7,881.30	14,400.00	(6,518.70)	54.73%
66015 · FUTA Tax	0.00	41.99	150.00	(108.01)	27.99%
66020 · PASUI Tax	0.00	578.01	2,000.00	(1,421.99)	28.90%
66500 · Retirement	438.07	3,456.55	5,650.00	(2,193.45)	61.18%
Total 66000 · Payroll Expenses	14,404.41	119,113.20	216,200.00	(97,086.80)	55.09%
Total Expense	27,239.42	271,094.33	474,984.34	(203,890.01)	57.07%



Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of October 31, 2017

	<u>October</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Uncommitted Funds	7,786,057.47		
Committed Funds	3,337,704.58		
2017 Restricted Funds:			
First Quarter Gaming Revenue		254,570.93	
Second Quarter Gaming Revenue		172,041.71	
Third Quarter Gaming Revenue		0.00	
Fourth Quarter Gaming Revenue		0.00	426,612.64
Disbursements:			
First Quarter Disbursements		742,533.78	
Second Quarter Disbursements		341,044.86	
Third Quarter Disbursements	3,661.99	3,661.99	
Fourth Quarter Disbursements		0.00	1,087,240.63
Disbursements Detail			
<u>Grants/Settlements</u>			
Community Assets			
Albion Area Fair, Inc.		6,096.00	
AmeriMarsala		9,180.00	
Community Access Television		9,039.00	
Corry Area Historical Society		9,530.00	
Edinboro Arts & Music Fest		8,199.00	
Erie Contemporary Ballet Theatre		5,886.00	
Erie PAL		10,791.00	
Erie Yesterday		8,064.00	
Fort LeBoeuf Historical Society		8,797.00	
Gannon University		8,829.00	
Greater Erie Alliance for Equality		3,474.00	
Humane Society of NWPA		5,326.00	
Lake Erie Fanfare, Inc.		7,988.00	
Martin Luther King Center		9,320.00	
North East Little League		6,105.00	
PACA		10,161.00	
Union City Area School Dist. Foundation		10,091.00	
Waterford Community Fair Association		5,466.00	
Wesleyville Area Museum		1,654.00	
Woman's Club of Erie		6,522.00	150,518.00
Human Services			
All God's Children Ministries		2,500.00	
Community Resources for Independence		7,500.00	
Mission Empower		3,500.00	
Sisters of Mercy		6,000.00	19,500.00
Lead Assets		0.00	0.00

Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of October 31, 2017

	<u>October</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Special Events			
Albion Area Fair, Inc.		1,397.40	
Asbury Woods Partnership, Inc.		923.10	
Bayfront NATO, Inc.		3,697.50	
Borough of Union City		1,804.55	
Borough of Wesleyville		4,307.80	
CAFÉ		487.90	
Crime Victim Center of Erie County, Inc.		5,959.35	
Downtown North East		2,696.20	
Dr. Gertrude A. Barber Foundations		11,290.55	
Downtown Edinboro Art & Music Festival		536.35	
Edinboro Highland Games		14,875.00	
Erie Art & Music Festival		13,110.40	
Erie Asian Pacific American Association		2,489.65	
Erie Contemporary Ballet Theatre		563.55	
Erie Downtown Partnership		765.00	
Erie Drum Corps Association		871.25	
Erie Homes for Children & Adults		2,346.00	
Erie Lions Club Save an Eye Game		992.80	
Erie Regional Chamber & Growth Partnership		4,165.00	
Film Society of NW PA		908.65	
Goodell Gardens & Homestead		5,363.50	
Harborcreek Township		1,909.10	
Holy Trinity Roman Catholic Church		18,494.30	
Jefferson Educational Society		1,916.75	
Lake Erie Arboretum At Frontier		5,057.50	
Lake Erie Ballet		566.10	
Lake Erie Fanfare, Inc.		7,092.40	
Mercy Center for Women		20,839.45	
The Nonprofit Partnership		1,375.30	
North East Community Fair Association		3,202.80	
Presque Isle Partnership		3,791.00	
Roar on the Shore		4,817.80	
SafeNet		2,550.00	
Saint Patrick's Church		2,135.20	
Sister's of St. Joseph Neighborhood Network		4,037.50	
Union City Pride		1,065.05	
WQLN Public Media		2,454.80	
Waterford Community Fair Association		4,247.45	
Wattsburg Agricultural Society		2,310.30	
YMCA of Greater Erie		2,125.00	
Young Artists Debut Orchestra		854.25	
Youth Leadership Institute of Erie		620.50	
		<u>620.50</u>	<u>171,014.05</u>

Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of October 31, 2017

	<u>October</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Municipalities			
Multi-Municipal Collaboration			
Erie Area Council of Governments		100,000.00	
Jefferson Educational Society		97,000.00	
Girard Township		16,350.00	
Redevelopment Authority - City of Corry		25,000.00	238,350.00
Municipal Settlements			
Erie County		11,731.85	
Greene Township		11,731.85	
McKean Township		11,731.85	
Millcreek Township		11,731.85	
Summit Township		47,993.91	
Waterford Township		11,731.85	106,653.16
Neighborhoods & Communities		<u>0.00</u>	<u>0.00</u>
Small Business Financing			
Ignite Erie Industry + University; Penn State Erie - The Behrend College		250,000.00	250,000.00
Youth & Education			
Mercyhurst University - Innovation District		25,000.00	
Summer Jobs Program	3,661.99	136,178.42	161,178.42
Total Funds Disbursements	<u>3,661.99</u>	<u>1,097,213.63</u>	<u>1,097,213.63</u>

	<u>October</u>	<u>Amount Remaining</u>	<u>Original Commitment</u>
Committed Funds:			
1855 Capital Partners		500,000.00	500,000.00
Enterprise Development Fund		500,000.00	500,000.00
GECAC - Summer Jobs Program	3,661.99	13,821.58	150,000.00
Penn State, The Behrend College - Ignite Erie		250,000.00	750,000.00
PennVenture Partners		1,000,000.00	1,000,000.00
Shaping Tomorrow			
Empower Erie - Community College		370,000.00	400,000.00
Erie's Public Schools - Tech After Hours		133,333.00	200,000.00
Erie's Public Schools - Community Schools		75,000.00	150,000.00
Gannon University - Go College		31,250.00	125,000.00
Gannon University - East-West Bayfront Plan		14,300.00	50,000.00
Mercyhurst University - Innovation District		350,000.00	400,000.00
Primary Health Network - School Based Health Center		100,000.00	100,000.00
Total Committed Funds	<u>3,661.99</u>	<u>3,337,704.58</u>	<u>4,325,000.00</u>



Erie County Gaming Revenue Authority
Check Detail Report
October 2017

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
10/02/2017	2258	Great America Financial Services	2017 October Copier Fees	-332.00
10/04/2017	EFT	ECCA, Inc.	9/16/2017 to 9/29/2017 Payroll	-6,455.50
10/04/2017	EFT	Fidelity Investments	09/16/2017 to 09/29/2017 Retirement	-438.07
10/06/2017	2259	Graham Upkeep Service	July 2017 Janitorial Service	-90.80
10/06/2017	2260	Ridge Policy Group	October 2017 Government Relations	-4,806.40
10/06/2017	2261	Velocity Network, Inc.	Phone/IT/Fax	-812.46
10/10/2017	2262	Greater Erie Community Action Committee	2017 Summer Jobs	-3,661.99
10/10/2017	2263	Presque Isle Designs, LLC	September 2017 Outreach	-151.05
10/18/2017	2264	Penn State University	October 2017 Rent	-1,386.89
10/19/2017	EFT	ECCA, Inc.	9/30/17 to 10/13/17 Payroll	-7,153.61
10/19/2017	EFT	Fidelity Investments	9/30/17 to 10/13/17 Retirement	-437.13
10/27/2017	EFT	VISA	September 2017 VISA - Tammi	-820.75
10/27/2017	EFT	VISA	September 2017 VISA - Perry	-3,542.10





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

**EXECUTIVE
DIRECTOR'S
REPORT**

FOR

NOVEMBER 2017



The

HOME PAGE

A Publication of The Woman's Club of Erie - November, December 2017
Newsletter Volume 21, Issue 6 - 259 West 6th Street, Erie, PA 16507



PRESIDENT'S MESSAGE

Dear Woman's Club Member:

I hope you find the 2017-18 Member Yearbook informative. Special thanks to Carol Tomczak for typesetting, designing and assembling the Yearbook for the past several years. If you noticed your name is not listed on any of the committees or your birthday is omitted, you can rectify that by completing and returning the Committee Assignment form. It is not too late to join a committee—reach out to the respective chair and inform her of your interest. If you have not picked up your new Yearbook, contact Membership Secretary Loretta Seigley to make arrangements. Proceeds from the Yearbook ads support our roof restoration efforts—thank you to all who placed ads!

I am pleased to inform you that the Woman's Club came in third place based on the number of pre-sold tickets presented at the door during Boscov's Gala Preview and will be receiving an additional \$500.00 along with the income generated through ticket sales. Obviously, Woman's Club members and their friends enjoy shopping! Nice job, Ladies!

On September 14, Treasurer Marci Cashman and I had the pleasure of attending a news conference at the Erie Zoo with the purpose of announcing the Erie County Gaming Revenue Authority's Community Assets Grant recipients. Member Melinda Meyer completed and submitted a grant application on behalf of the Woman's Club's roof restoration. The grant award of \$6,522 will be applied to the tuck-pointing estimated at \$21,480.00. Preservation Chair Marianne Heck has contacted Tirpak Building Maintenance to schedule the work.

Our Dinner Speaker Series continues on November 14 featuring Member Mary Jane Koenig and James Hertner, US Marine Corps, Vietnam Veteran and Pro-Reality Real Estate Agent. Attendees are asked to bring item(s) for the DAR's Packages for the Patriots Program. This is a small way of expressing our appreciation to our deployed soldiers.

Kathy Costello will be selling our favorite fruit cakes again this year and be sure to place your Wendell August order with Marj Inderlied. A complete listing of their inventory is available on their website—WendellAugust.com.

I'm looking forward to seeing many of you at our Christmas in the Mansion House Tour and Boutique. The Jeff Gibbens Trio was so well received at the 125th Birthday Gala that they were booked that evening to perform at the Friday Reception on November 10. Our clubhouse, transformed into a Christmas Wonderland, will host continuous entertainment throughout the week-end. There will be a one-of-a-kind member-decorated miniature tree and wreath raffle, basket raffle (Chris Kroll will again bake an assortment of delicious breads), vendors, and refreshments. Bring your friends and family and begin your holidays with Christmas in the Mansion.

Our fourth Sunday Supper at the Church of the Covenant is scheduled for December 3. Please consider donating a new, unwrapped toy for the children. The toys can be dropped off at the November 14 meeting or during the week of set up for Christmas in the Mansion.

In closing, I would like to wish you and yours a wonderful Thanksgiving, a very merry Christmas, and a joyous New Year!

Regards,

Judy Santone Husted

President



2017 RAISE THE ROOF CAMPAIGN - MEMBER PARTICIPATION

totals reflect running balance

GOAL \$100,000

	<u>MAY</u>	<u>JULY</u>	<u>SEPTEMBER</u>	<u>NOVEMBER</u>
PLEDGED	\$11,455	\$13,030	\$13,080	\$13,630
RECEIVED	\$8,955	\$11,230	\$12,530	\$13,630

*Thank You To
Our Generous
Members!*

Memorial Fund Corrections

Please recognize the following corrections to the Memorial Fund pages of the annual yearbook as an apology is extended for the errors:

In honor of Judge Fred Inderlied

Marj and Don Inderlied, *Donors*

Raise the Roof

In memory of Dianne Scalzo

Trudy Sallach, Clare and Tim Farrell, Donna and Ron Harrington, Elaine Hirsch, Dina Reale, Joann Kaufer, Kris Krol, Marj & Don Inderlied, Patty Raydo, Mary Pierzynski, Charlene Sisson, Mary Lou Scottino, Carol Perry, Margaret Dupre, Carol Mingarelle, David, Lisa, & Meghann, Marci & Bruce Cashman, Anna Wolfe, *Donors*

In memory of Betty Francis Barker

Judy Husted, *Donor*

Packages for Patriots



In a joint effort with the Woman's Club of Erie and the Presque Isle DAR, member and Regent, Mary Jane Koenig, will collect food, toiletries, and other items at the Tuesday, November 14 meeting and send them to deployed soldiers stationed in Iran or Afghanistan.

The DAR has been sending one or two care packages each month to many men and women from the Erie area. If anyone in the WC has a family member or friend in the service overseas, the DAR will be happy to send him/her a package. If one is not able to make the meeting, dinner, or speaker series and wants to participate, simply drop off items at the club house in the first floor turrethead room during the Christmas in the Mansion set-up or weekend.

As part of the WC educational speaker series, Mary Jane and James Hertner, USMC Vietnam Vet, will present *Remembering Our Valued Veterans and Service Members* following the November dinner. Come share this notable presentation with family, friends and guests.

Please bring items for the packages to our November 14 meeting. The DAR will box and mail. Chocolate does not travel well. Below is a list of suggested items.

FOODS: SMALL JARS PEANUT BUTTER, JAM, BBQ SAUCE, HOT SAUCE, CANNED SAUSAGE, TUNA, SPAGHETTIOS, INDIVIDUAL SERVINGS CHILI, OATMEAL CUPS, RAMEN NOODLES, BEEF JERKY, BEEF STICKS, HICKORY FARMS FOOD, TEA BAGS, K-CUPS, HOT CHOCOLATE MIX.

TOILETRIES: CHAPSTICK, MOIST WIPES, TOOTHPASTE, SUNSCREEN, VICKS VAPOR RUB, Q-TIPS, NAIL CLIPPERS.

SNACKS: SNACK SIZE COOKIES, HARD CANDY, NUTS, GUM, CRACKER JACK, PRETZELS, SUNFLOWER SEEDS, DRIED FRUIT, FLAVORED DRINK PACKETS, PROTEIN BARS.

OTHER: COUGH DROPS, ZIPLOCK BAGS, FITNESS MAGAZINES.



Bus Trip December 13, 2017

\$189 Includes Dinner and the Show

Also includes a visit to Pierce Arrow Museum

Limited orchestra seating tickets. First come basis.

CONTACT MARIANNE HECK 873-9603

Note from Mary Jane Koenig's nephew:

"Hi, I received the package you and the DAR sent this afternoon. Thank you! It is much appreciated, and I will share some of the treats with my co-workers. Iraq is like you'd expect, it's between 110-120 every day, and it hasn't rained since I've been here. See you around Christmas. Love, Bob

MaherDuessel

October 6, 2017

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

Dear Board of Directors and Mr. Wood:

We are pleased to confirm our understanding of the services we are to provide the Erie County Gaming Revenue Authority (Authority) for the years ended March 31, 2018, 2019, 2020, and 2021. We will audit the financial statements of the Authority as of and for the years ended March 31, 2018, 2019, 2020, and 2021.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of Directors of the Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2)

fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys and confirmations from financial institutions as part of the engagement, and they may bill you directly or indirectly through us for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions

of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of the Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees,

former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Maher Duessel and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any Regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maher Duessel personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the Regulator or its designee. The Regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Jeffrey W. Kent is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Professional standards require Maher Duessel to establish policies and procedures designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations. It is Maher Duessel's policy that any complaints or allegations should be reported to the managing partner (Elizabeth E. Krisher) or engagement partner identified within this letter.

Audit Meetings

Management will arrange for Maher Duessel to meet with the Authority's Board or an appropriate committee thereof, in connection with the audit. Generally, the meeting can occur in advance of and following the completion of year-end fieldwork for the audit of the Authority's financial statements.

Use and Distribution of Reports

Maher Duessel will provide draft reports to management for review and approval before issuance. Final reports for internal use and external distribution will be delivered to the Authority. The Authority's use and distribution of reports is expected to be limited to (1) filings routinely required by governmental agencies, (2) lenders, and (3) internal use. If the Authority intends to publish or otherwise reproduce the financial statements and make reference to our firm name, the Authority agrees to provide Maher Duessel with printer's proofs or masters for our review and approval prior to printing. The Authority also agrees to provide Maher Duessel with a copy of the final reproduced material for our approval before it is distributed.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information, and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic sites with the original document.

Confidentiality

The Authority understands that the AICPA Rules of Professional conduct ordinarily preclude an auditor from disclosing confidential information obtained in the course of an audit engagement unless the client specifically consents. Professional standards also require that auditors prepare working papers to document the performance of the audit. While such working papers will remain the property of Maher Duessel, the Authority will have a right to a copy of any working papers that contain data that constitutes part of a client's records. The AICPA requires members who practice public accounting to participate in either a Quality Review or Peer Review practice-monitoring program. Maher Duessel is enrolled in such a program. The

Authority grants permission for Maher Duessel to respond fully to inquiries and allow review of working papers in connections with practice monitoring program activities.

Fees

Professional fees for the scope of recurring services will be:

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>\$ 6,500</u>	<u>\$ 6,700</u>	<u>\$ 6,900</u>	<u>\$ 7,100</u>

Out-of-pocket expenses associated with these services will be reimbursed. Should the Authority experience changes in funding or organizational changes which would no longer require external audit services, the Authority can elect to end the term of this agreement prior to the commencement of audit services related to the annual periods noted above.

The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In the event that representation by legal counsel, during the term of this agreement or subsequently, is deemed necessary by Maher Duessel in connection with any aspect of this engagement, fees and expenses for counsel will be reimbursed to the auditor as out-of-pocket expenses.

Additional Services

Maher Duessel may provide additional services which can be either non-recurring matters or changes to the scope of recurring services, including matters such as: (1) changes to the body of compliance and other requirements applicable to the Authority; (2) changes in the nature or scope of programs that comprise the reporting entity; (3) changes in the application of

accounting principles or the application of new principles; (4) changes to auditing standards of a nature that results in an increase in the audit effort required; (5) management requests for procedures of a nature and extent beyond those necessitated for an audit; (6) consent letters; (7) costs related to required surcharges; and (8) matters of management responsibility (e.g. the condition of records) or other matters beyond Maher Duessel's reasonable control that impair the efficient conduct or expand the scope of effort beyond the audit procedures necessary for the scope of recurring services.

In the event that the Authority requires additional services, the Authority may request that Maher Duessel provide such additional services and pay fees based upon professional hours.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Maher Duessel



BY: _____
Jeffrey W. Kent - Partner

The arrangements described above are accepted by Erie County Gaming Revenue Authority.

BY: _____
Signature

Title

Name of authorized signer

Date

1

2

3

4



Jacob Marsh
Industry Relations Coordinator
The Pennsylvania State University
Glenhill Farmhouse
4701 College Drive
Erie, PA 16563-0101

Tel: 814-898-6987
JakeMarsh@psu.edu
behrend.psu.edu

October 13, 2017

Dear Mr. Wood,

It is my pleasure to invite you to a special event for business, education, and community leaders that we are hosting at the college to meet United States Congressman Glenn "GT" Thompson and view a round table discussion of the economic development activities and impacts of Penn State Behrend and its collaborating regional universities, Gannon University, Mercyhurst University and Edinboro University of Pennsylvania as part of the Ignite Erie Industry+University Collaborative. Congressman Thompson is interested in job creation in the region and intrigued by our collaborative approach to this challenge, especially considering the recent announcement of the Northwest Pennsylvania Innovation Beehive Network. The Congressman will be joined at the table by the presidents or representatives of all four universities, a student staff member of the Innovation Commons, and two local entrepreneurs who have engaged in its services.

We welcome you to join us for this event:

Wednesday October 18th, 2017
1:00-2:30 p.m.
Innovation Commons, 109 Burke Center, Penn State Behrend
5101 Jordan Road, Erie

RSVP to Jake Marsh, JakeMarsh@psu.edu, 814-898-6987
By Tuesday, October 17th

The round table discussion will begin promptly at 1:30pm. Please feel free to tour the Innovation Commons with me following the event. Local news media will likely be present during the discussion. I hope that you can join us.

Sincerely,

Jacob Marsh





COUNCIL OF FELLOWS FALL MEETING
AGENDA
Tuesday, October 17, 2017
4:00 p.m.
Knowledge Center
5240 Knowledge Parkway, Erie, PA 16510

- | | | |
|------|--|--------------|
| I. | Call to Order | Scott McCain |
| II. | Induction of New Members | Scott McCain |
| III. | Chancellor's Report | Ralph Ford |
| IV. | Development Report | Kevin Moore |
| V. | Committee Reports | |
| | a. Communications and Engagement | Gary Clark |
| | b. Campaign Volunteers | Greg Yahn |
| VI. | Behrend's Role in Economic Development | Amy Bridger |
| | a. Overview of College Initiatives including Innovation Beehives | |
| | b. Knowledge Park update | |
| | i. Introduction of new KP Manager | |
| | ii. Joe Snyder, President, Process and Data Automation | |
| VII. | Adjournment | Scott McCain |



JAMES T. DOMINO
1302 TIMBER RIDGE DRIVE
ERIE, PA 16509
PHONE: 814-866-2846

October 30, 2017

Erie County Gaming Revenue Authority
5340 Fryling Road, Suite 201
Erie, PA 16510

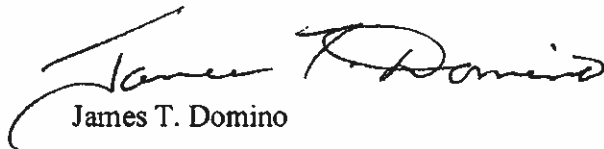
Attention: Perry Wood

Re: James T. Domino

Dear Perry,

I regret to inform you that I will be resigning from the ECGRA Board effective November 1, 2017. I have enjoyed my time with the board and wish you, the board and staff members ongoing success.

Sincerely yours,


James T. Domino

JTD/ced

cc: Fiore Leone





Erie Insurance Civics Day November 2, 2017

- I. **Lunch**
- II. **Introduction**
 - a. Ferki Ferati, Ed.D., President, The Jefferson Educational Society
 - b. Tim NeCastro, CPA, CIC, President and CEO, Erie Insurance
- III. **Erie County "Information Hackathon" (Three twenty-minute sessions, followed by Q&A)**
 - a. **Why Erie Has Yet to Achieve Its Best Self**
Captain Thomas Hagen, Chairman of Erie Insurance
 - b. **Understanding the History and Form and Function of Erie County Government**
Judith Lynch, Ph.D., Former Erie County Executive
 - c. **A Civic Perspective on Erie's Economy**
Perry N. Wood, Ed.D. (ABD), Executive Director, ECGRA
- IV. **The State of Erie's Public Education and the Future of Public Schools**
Maureen McClure, Ph.D., Professor at University of Pittsburgh
- V. **Driving Urban Progress**
Tom Murphy, former Pittsburgh Mayor, Senior Fellow at the Urban Land Institute
- VI. **Continuing Erie's 'Metropolitan Revolution'**
Bruce Katz, Brookings Institution Centennial Scholar





ECGRA Grants Report, 11/6/17

1. Tech After Hours

- Enrollment low last year; need to increase marketing; considering hiring a marketing firm
- Programs: machinists, construction trades, auto mechanic, patient care assistant
- Have hired program manager to focus on recruitment/retention
- Working on creating a pipeline from the new Recovery Academy

2. Community Schools

- Action Plans complete at McKinley, Edison, PB
- Needs assessments complete at East MS and SVMS
- Immediate programs in place
 - Food pantry, soccer club at Edison
 - Power Scholars at PB
 - Dyslexia tutoring at McKinley
 - Club Fit at SVMS
 - QUEENS Mentoring program at East MS
- Relationship with community centers has led to better communication/cooperation (listening tour meetings last spring, OSS program at BTW, etc)
- Relationship with United Way is more effective and efficient (Campaign for Grade-Level Reading, support of the foundation through employee campaign)
- Next steps: More training for principals and CSD's, hiring of 2nd position, implementation of Action Plans

3. Foundation Challenge

- Increased pool for teacher grants from \$12,000 to \$24,000 in 2017:
 - Stem carts for Wayne (now at Wilson MS)
 - Makerspace at SV (now at Erie High)
 - Support for Erie All-City Marching Band
 - Student-led performances at Wilson and Diehl
 - Latin books for Collegiate Academy
- Funding for strategic plan (\$14,000) and professional development (\$3000)
- Support of the ServErie project at Erie High (\$30,000)



Erie Times-News

'Beehive' receives \$1 million boost

By Jim Martin
jim.martin@timesnews.com

Erie County's four universities, which last week announced the formation of a series of "beehive" labs to focus on business development, took another step forward Tuesday.

Gannon President Keith Taylor announced in a joint news conference that the university has received a \$1 million grant from the U.S. Economic Development Administration to turn that concept into a difference maker for the business community.

According to a statement from Gannon, the grant "will accelerate and enhance business consulting services provided by Gannon to startups and boost development of Erie's emergent Northwest Pennsylvania Innovation Beehive Network, which includes Gannon, Penn State Behrend, Mercyhurst University and Edinboro University of Pennsylvania."

In short, the four universities will continue working together to build a system that is hoped to create jobs and help launch businesses.

"I think the first real strong message is there are four

See BEEHIVE, A4

BEEHIVE

From Page A1

institutions collaborating together that are able to equal something that larger cities and larger institutions can do," said Steven Mauro, vice president of academic administration at Gannon.

"It lowers the bar for engagement," said Amy Bridger, senior director of corporate strategy and external engagement at Penn State Behrend. In other words, a new business or an entrepreneur need only make contact with one of the four universities to be referred to one of the others for

services within their area of specialization. Each of them offers something unique to the business community, Mauro said. While Gannon offers the Small Business Development Center and the Erie Technology Incubator, Mercyhurst University has its intelligence studies program. And while Penn State Behrend runs Knowledge Park and offers free prototyping services, Edinboro University of Pennsylvania provides business marketing and video services.

Combined with \$400,000 in grants announced last week by Penn State Behrend, a \$1.5 million partnership funded by the Erie County Gaming Revenue Authority and the \$1 million grant announced

Tuesday, Mauro said there will be money to pay for materials, minor renovations and for staff for the next two years, mostly undergraduate and graduate students who will work with business clients to help lead them to the services they need.

Rose Graham, who has been working on the beehive concept as director of grants and sponsored programs for Edinboro, sees this as a groundbreaking effort.

"The four universities have never come together like this before," she said.

What's more, Bridger said, "We are able to connect people with all four universities who might usually be associated with just one of them."

In one respect, Mauro said, the combined resources of four smaller universities put Erie on equal footing with much larger cities with much larger research universities.

At the same time, he said, Erie might emerge with an advantage.

"Because of its size and because of the interaction, we are able to move rapidly in ways that a larger city can't."

Brad Gleason, director of intelligence studies at Mercyhurst, says there are advantages for students, not just for the business community.

Building relationships with new businesses will often mean providing them with interns or temporary employees who might grow

into permanent employees, he said.

"It's a way to address the brain-drain issue," he said.

Tuesday's announcement was made at Gannon, but Taylor took pains to give credit to his partner universities.

"It's not about the universities getting credit," he said. "We are trying to create a network that is all about the network."

He thinks the results will benefit the community.

"This is about a framework for how we are going to grow business and grow the economy in Erie," he said.

Jim Martin can be reached at 870-1668 or by email. Follow him on Twitter at twitter.com/JTMartin.

Groups host revitalization workshop

A historic rehabilitation and community revitalization workshop took place Tuesday morning at the Intermodal Transportation Center, 208 E. Bayfront Parkway.

The event also addressed housing and jobs. Among the topics reviewed at the workshop were state and federal rehabilitation tax credits; low income and new

market tax credits; various state grant programs; and how preservation fits with municipalities' economic development strategies.

U.S. Rep. Mike Kelly, of Butler, R-3rd Dist., welcomed those who attended the workshop, hosted by the Pennsylvania State Historic Preservation Office, the Erie County Gaming Revenue Authority, National Trust Community Investment Corporation, and Preservation Erie.



Pennsylvania explores new territory in budget fight

Gov. Wolf works toward strategy to get state through the year

By Marc Levy
The Associated Press

HARRISBURG — Pennsylvania's deficit-riddled finances are in new territory, as Democratic Gov. Tom Wolf assembles a package to balance the state's budget without involvement from a Republican-controlled Legislature driven by ideological and provincial disputes.

Three-and-a-half months into the state's fiscal year, Wolf has bypassed a Legislature that hasn't sorted out a way to finance a nearly \$32 billion budget bill it passed June 30. Instead, he is working on a \$2.2 billion budget-balancing strategy that relies heavily on borrowing to get the state through the year.

The state's fiscal problems are tall. It suffered the biggest cash shortfall

since the recession, compounding an entrenched post-recession deficit. Borrowing may make it worse: public finance analysts generally regard borrowing to pay operating costs as bad fiscal practice and a last resort.

For now, the state is relying on a Pennsylvania Treasury credit line to make on-time payments through Friday. Wolf's administration is discussing more such agreements with the Treasury Department to ensure it can make on-time payments in the coming weeks, including a \$1.2 billion aid payment due Oct. 26 to public schools.

Wolf's plan

On Friday, Wolf's administration issued a request-for-proposals for what it calls a "lease/leaseback" of the Pennsylvania Farm Show Complex in hopes of raising \$200 million that it would repay over 20 years, with interest.

It is also working with the Pennsylvania Liquor Control Board to borrow \$1.25 billion, to be repaid over 20 years by revenues from the state-controlled wine and liquor system.

Separately, Wolf's administration hopes to borrow \$105 million to subsidize grant programs that are normally paid for by general tax collections; find roughly \$200 million in savings; and come up with another \$250 million by tapping unspecified off-budget programs or borrowing against future revenues.

What's next?

The House and Senate each return to session Monday, but Wolf's unilateral move to balance the budget threw yet another curveball into a process that has been unpredictable. Top lawmakers had assembled an evolving, albeit complicated revenue package, but it's no longer clear whether that framework is viable or necessary.

That plan relied primarily on borrowing, siphoning cash from off-budget programs and authorizing a big expansion of casino-style gambling in Pennsylvania in a quest for millions more dollars from license fees and taxes on gambling losses.

It stalled when the House balked at raising taxes, a key demand by Wolf that had won Senate support as a way to help fix the deficit.

Gas drilling

Rep. Gene DiGirolamo, R-Bucks, said he is working on a measure to impose a tax on Marcellus Shale natural gas production that can pass both chambers and get Wolf's signature, despite opposition from House Republican leaders.

The tax is a top Wolf priority. The Senate approved a version of the tax in late July, albeit at a lower rate than what many House supporters are seeking.

The fight took on bare-knuckled political tones when Scott Wagner, a Republican state senator running for governor, told a crowd last month that he had urged the House Appropriations Committee chairman to block a Marcellus Shale tax to hurt Wolf's reelection chances.

University aid

Penn State, the University of Pittsburgh, Temple and Lincoln universities and the University of Pennsylvania's veterinary school are awaiting legislation allowing nearly \$600 million in aid that is stalled in the House without the money to pay for it. The Legislature also has not yet authorized another \$52 million for Penn State's agricultural research and extension programs.

Penn State and Pitt alone say they use the aid to extend some \$760 million a year in tuition discounts for in-state

students, while Penn's veterinary school, the state's only such school, says it has trained better than two-thirds of Pennsylvania's veterinarians.

Getting noticed

Pennsylvania's ugly budget fight is being noticed beyond the state's borders. Last month, the credit rating agency Standard and Poor's lowered its rating on Pennsylvania's debt, citing the state's reliance on one-time cash infusions to pay its bills. That will raise borrowing costs for the state, as well as school districts and local governments, Wolf says.

Now, an analysis by Moody's Analytics of metro areas that are good fits for Amazon's huge second headquarters questioned whether Pennsylvania's budget troubles will make it unwilling or unable to offer the generous financial incentives that Amazon will want.

Thursday, October 19, 2017

Erie Times-News

University presidents pitch 'beehive' plans

U.S. Rep. Glenn Thompson met with leaders for roundtable on development

By Matthew Rink
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U.S. Rep. Glenn Thompson and Erie County's four university presidents exchanged ideas about how

to grow the local economy during a roundtable discussion Wednesday at Penn State Behrend's Innovation Commons.

The discussion, closed to the media, came a day after Gannon University President Keith Taylor announced in a joint news conference that the university had received a \$1 million grant from the

U.S. Economic Development Administration to assist Gannon, Behrend, Mercyhurst University and Edinboro University of Pennsylvania in the formation of a series of "beehive" labs that will aim to foster entrepreneurship in the region.

See BEEHIVE, A4

Online Extra

Find more stories about education in the Erie region: GoErie.com/News/Education. View Erie Times-News video of U.S. Rep. Glenn Thompson discussing the collaboration between Erie County's four universities to assist the region in business development: YouTube.com/GoErieVideo

BEEHIVE

Continued from A1

The project, which was unveiled earlier this month, will take shape as the Northwest Pennsylvania Innovation Beehive Network. Each university will provide a different specialty to assist business start-ups.

Thompson, a Republican whose 5th District includes part of Erie County, toured the Behrend campus, including the Innovation Commons lab, which opened in 2016, before taking part in the roundtable.

"It's synergy," Thompson said. "In the past we didn't have that for the most part. It was competition. It was a turf war to get somebody to enroll in your university before they enrolled somewhere else. I get it. That's

still going to exist. The fact they are looking at the greater good of the economy and the community and having that synergy of bringing these four very successful institutions together with a focus of economic development, I'm excited for the future of Erie County and beyond."

He said university collaboration used to be like a "closed fist," but today are like "an open hand."

Thompson said the efforts are even more critical given GE Transportation's decision to continue to downsize its workforce.

The company has already cut 1,500 jobs from its Lawrence Park Township plant and plans to cut another 575 jobs and end locomotive production in Erie in 2018. Thompson said the company will come to regret its decision to relocate all of its locomotive production to a

plant in Fort Worth, Texas.

The decision, though, means that it is even more important for the local economy to continue to stabilize and diversify over the next five to 10 years, with the focus on smaller businesses and less reliance on large, "robust" ones, Thompson said.

Penn State Behrend Chancellor Ralph Ford and Taylor, Gannon's president, said Wednesday's discussion offered them a chance to learn about potential sources of funding and to convey the importance of the "beehive" labs.

"Federal funding, grant funding, that's important," Ford said. "What are the policies that can be put in place? What is happening is really a regional approach. How do you help regions collaborate, how do you help regions reinvent themselves? That's what's going on across the

country. We can see that. How can they help us on a federal level grow Erie, Pa., and our economy here?"

Ford called the excitement behind the collaboration "palpable."

Taylor said Tuesday's grant announcement was one step toward "what could be a tens of millions of dollars industry in Erie County." He said his hope was to convey to Thompson Wednesday that Erie, as a region, is worth investing in.

"We are an economic driver," he said. "If we could have the regional, state and federal governments see Erie as a driver of innovation, meaning a job creator and business creator, and they were willing to get behind that and fund it, Erie's got a lot going on here. We are starting to build some momentum."

Thompson outlined three policy changes he believes

will bolster the economy: Regulation reform, tax reform and workforce development. He said one of his bills, which was passed by the House in June, focuses on expanding the qualified and trained workforce. The Strengthening Career and Technical Education for the 21st Century Act reauthorizes a 2006 law that supports state and local career and technical education programs.

"We've got legislation that is as bipartisan as it could be," said Thompson, who believes he has the votes in the Senate for the bill's passage. Businesses "are not going to grow or relocate here if they don't have a qualified or trained workforce," he said.

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Local universities commit to collaboration to move Erie forward

This article was submitted jointly by Ralph Ford, Keith Taylor, Michael Victor and H. Fred Walker.

Erie is at a crossroads. Years of economic decline have shrunk both our population and our business base.

Our response to this challenge will define Erie for the generations to come. It is imperative that we work collaboratively to get it right.

The national media is watching our response. Their narrative has at times focused almost exclusively on the jobs that have been lost. Make no mistake: This is a difficult time for the families involved, and our local government, our network of social-service agencies and our institutions of higher education must support them.

The stories have often overlooked a second narrative, however, which may have even more impact on our economy. We have seen unprecedented collaboration, energy and investment by leaders in a number of segments,

including higher education, to create sustainable economic viability for the region.

We can learn from others. Communities that have transformed their economies have strong collaborative networks of innovators and entrepreneurs; new and established leaders in business and industry; artists and futurists; and public-sector partners all working toward a shared vision of success for the region. At their core, these transformations require collaboration and a network of innovation.

Universities play a fundamental role in creating and sustaining these networks. Our four universities collectively enroll more than 18,000 students. Our faculty and students bring considerable research, design and technology-transfer expertise to local development efforts.

Each institution has unique assets and strengths that attract student and business partners to the Erie region: applied media arts programming at Edinboro University of Pennsylvania; Gannon University's Erie Technology

Incubator, the Erie Innovation District led by Mercyhurst University and Penn State Behrend's Knowledge Park, to name just a few.

It is imperative that each of our four institutions pursues projects and initiatives that support our individual goals and meet the specific needs of our students, while also working together in areas of mutual interest. To that end, we have developed a joint statement of collaboration on innovation, in which we agree to advocate for each other's projects and initiatives; pledge to partner on grant funding; commit to using our alumni bases and other avenues to promote efforts to attract business and talent to the region; and create a network of students and faculty who will assist entrepreneurs with new business projects.

That network already is taking shape. The Ignite Erie Industry+University Collaborative, which launched in 2015 with funding from the Erie County Gaming Revenue Authority, recognized the need for a cooperative approach. In fact, it codified

it: To receive funding from the collaborative, projects must involve experts at more than one partner institution. Dozens of projects already have received multi-university support, which has helped entrepreneurs such as Brian Edwards launch new products. Edwards invented Monster Dice, a game that recently was featured on ABC's "The Toy Box." He received support from the Erie Technology Incubator at Gannon, Mercyhurst's Quickstarter program, and Innovation Commons at Penn State Behrend to make his game a reality.

The Innovation Commons idea lab is part of the recently announced Northwest Pennsylvania Innovation Beehive Network. The lab, a Penn State Behrend resource that is open to the community, is the first of four planned Innovation Beehives — spaces where entrepreneurs and companies can receive free assistance with product prototyping, business development, market intelligence and marketing plans. The approach has generated

significant additional state and federal funding, including grants from the Appalachian Regional Commission and the U.S. Department of Commerce. Additional beehives will soon open on the Edinboro, Gannon and Mercyhurst campuses. Each will focus on a different stage of business development — a cooperative approach to benefit the small businesses that may well become the backbone of a new, more nimble Erie economy.

The Ignite Erie collaborative and the Northwest Pennsylvania Innovation Beehive Network show how a collaborative approach can benefit the community and all who are involved. Our institutions are committed to this approach, which we believe will best serve the region in the years ahead.

Ralph Ford is chancellor of Penn State Behrend. Keith Taylor is president of Gannon University. Michael Victor is president of Mercyhurst University. H. Fred Walker is president of Edinboro University of Pennsylvania.

Erie Times-News | GoErie.com | Tuesday, October 31, 2017

Erie County councilman proposes revitalization fund

Foust wants to use gambling revenues to fight blight, improve region

By Kevin Flowers
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Erie County Councilman Kyle Foust wants to use approximately \$1 million in county gambling revenues to create a county "Neighborhood and Infrastructure Revitalization Fund" that would fight blight and fund various programs and initiatives countywide aimed at revitalizing the economy via infrastructure improvements.

Foust, the panel's vice chairman, unveiled the proposal publicly on Monday in the wake of the state Legislature's decision to allocate \$1 million in annual gaming funds earmarked for Erie



Foust

County to create a land bank to address blight.

Lawmakers included that stipulation in a sweeping gaming bill, approved by the Pennsylvania House of Representatives on Thursday, meant to help end the state budget impasse. The county receives about \$11 million in gambling revenues each year from Presque Isle Downs & Casino in Summit Township.

Erie County government and the Erie County Gaming Revenue Authority have split that revenue since 2008; the \$1 million for a land bank comes from the Gaming Revenue Authority's share.

Foust's proposal suggests using the \$1 million for blight

removal via rehabilitation and demolition, but also neighborhood development projects; historic preservation; redevelopment of main streets in boroughs and small cities countywide; and improving parks, trails, green space and recreational fields.

Until the county land bank is established, the \$1 million in former Gaming Revenue Authority funds will go to the Erie County Redevelopment Authority.

Foust discussed the proposal with his County Council colleagues at the panel's meeting Monday night. He also sent details of his proposal to Erie County Executive Kathy Dahlkemper.

"My biggest fear is that we create a mechanism where we just land bank land and we put current private

property in public hands, and it lays empty," Foust said. "That's the last thing we need."

"We need a fund that takes care of blighted property, but it does other things," Foust said. "I want this fund to address issues inside the city of Erie and outside of the city limits."

Kristin Bowers, the county's public information officer, said Dahlkemper has yet to review Foust's proposal.

In a previous interview, Dahlkemper said the county land bank would be available to the city of Erie and other municipalities to help purchase blighted properties, typically at tax sales, for rehabilitation. The city of Erie has already created a land bank, which started operating in April.

Dahlkemper said she

would talk to County Council soon about drafting an ordinance to create the land bank.

The Gaming Revenue Authority's executive director, Perry Wood, has said the loss of \$1 million for his agency "doesn't bother me" because it fits with the authority's mission of economic and community development. The authority uses its annual share of gambling fund to make grants and loans to nonprofits, agencies, organizations and municipalities.

The county uses its share to make yearly grants to nonprofits, to fund libraries and to make payments on the county's long-term debt.

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Gaming could expand in Erie

State Senate passes legislation, waits on House

By Ed Paolotello
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Pennsylvania lawmakers worked to break the state's 117-day budget deadlock on Wednesday night as the Senate passed a bill to expand casino-style gaming to raise as much as \$200 million — legislation that would directly affect Erie County.

The House was expected to debate the bill into the night Wednesday and vote on it Thursday, House Majority David Reed, R-Indiana County, said on the House floor at about 10:30 p.m. on Wednesday.

The 939-page gaming bill, House Bill 271, would, among other things, allow Presque Isle Downs & Casino in Summit Township to expand in Erie County, and it would allocate \$1 million of the \$11 million of Erie County's casino revenue to create a land bank to fight blight.

The \$1 million would come from the share of gaming revenue that now goes to the Erie County Gaming Revenue Authority, which would continue to exist.

See GAMING, A4

GAMING

From Page A1

The bill, if it passes the House and becomes law, would:

- Allow Presque Isle Downs & Casino to build, in Erie County, one of the 10 new satellite casinos approved in the bill. Existing casino operators would bid on the satellite casinos, and would be prohibited from building a satellite casino within 25 miles of another existing casino.
- However, the bill would allow a winning bidder to build a satellite casino within 25 miles of the winning bidder's facility — a provision that would let Presque Isle Downs & Casino expand in Erie County.

"They have the ability to build a satellite casino," said state Sen. Dan Laughlin, of Millcreek Township, R-49th Dist., who voted for the bill and said he could envision a satellite casino built somewhere on Erie's bayfront or lakefront.

He said no competing casino could build a satellite casino within 25 miles of Presque Isle Downs & Casino.

"So they are protected in the county," he said.

- The gaming bill would keep intact the Erie County Gaming Revenue Authority, which was at risk of

dissolution under a previous version of the bill. The legislation, Laughlin said, also would keep the casino revenue that flows into Erie County at about \$1 million.

Since 2008, ECGRA and the county have split that revenue. Under the bill, however, \$1 million of that amount would no longer go to ECGRA, but would be used to establish a land bank for Erie County. Until the land bank is established, the \$1 million would go to the Erie County Redevelopment Authority.

Laughlin said the \$1 million would stay in Erie County and that its removal from ECGRA was a concession he had to make to ensure that ECGRA would not be eliminated under the legislation.

"ECGRA will survive," he said. "That was part of the compromise we had to do with the House to get it done."

Erie County's state House delegation had criticized ECGRA over operating costs. ECGRA uses its share of the casino revenue to make grants and loans to nonprofits, agencies, organizations and municipalities.

The county uses its annual share of funds to make yearly grants to nonprofits; to fund libraries; and to make pay-long-term debt.

- The gaming bill nonetheless would place restrictions on ECGRA due to amendments to the legislation from

commercial casino state, could see casino-style gaming in truck stops, airports, online portals along with the 10 brand new casino locations around the state, each with hundreds of slot machines and possibly table games.

It also would make Pennsylvania the first state to allow both casino and lottery games online, in a quest for money from new and younger players. Bars would be frozen out of the package, despite the House's long insistence that a gambling expansion should favor these businesses, rather than casino operators.

License fees and taxes on higher gambling losses is projected to net upward of \$200 million a year for Pennsylvania, a state that already netted \$1.4 billion in taxes on the industry in the last fiscal year.

However, Pennsylvania-headquartered Penn National said it will consider suing over the gambling package, if it becomes law, because of the "uniquely punitive impact" on the Hollywood Casino it owns in suburban Harrisburg.

Earlier Wednesday, the Senate approved a House plan that revolves around borrowing \$1.5 billion — with interest, payback likely would cost more than \$2 billion over 20 years — and a grab bag of tax increases that is projected to yield as much as \$140 million a year.

- For months, the Senate and Democratic Gov. Tom Wolf

had sought a larger tax package and a lower borrowing limit, but ultimately found unyielding opposition from House Republicans.

Public finance analysts generally regard borrowing to pay operating costs as bad fiscal practice and a last resort for a state in fiscal distress.

Pennsylvania has had spending authority since the fiscal year began July 1 under a nearly \$32 billion budget bill that lawmakers overwhelmingly approved. However, it has a gaping, \$2.2 billion hole in it, largely from state government's biggest cash shortfall since the recession, and the ugly fight over how to fill it has pitted Wolf and the Republican-controlled Senate against the Republican-controlled House.

With perhaps a dozen budget-related bills passing the House and Senate this week, Wolf would not give his blessing to the package Wednesday. His office would only say that he would evaluate the bills.

"These bills contain many policy changes and deserve a full vetting," Wolf's office said.

The Associated Press contributed to this report.

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OUR VIEW

Innovation tools are vital to Erie's recovery

The issue: Idea Lab opens in nick of time
Our view: Region must foster start-ups

Two recent news stories — the creation of the new innovation “beehive” network and the opening of the Erie County Public Library’s long-anticipated Idea Lab — must be read against the backdrop of the terrifying report that emerged from *The Wall Street Journal* on Friday: General Electric Co. might be looking to get out of the locomotive business.

As Erie Times-News reporter Jim Martin detailed, it has not been confirmed that GE Transportation will be spun off or sold, ending Erie’s historic ties with GE. Like Scott Slawson, president of Local 506 of the United Electrical, Radio and Machine Workers of America at GE Transportation, we hope the rumors prove untrue.

Nonetheless, the region must approach the future as if they were fact. As Barbara Chaffee, CEO of the Erie Regional Chamber and Growth Partnership, has repeatedly noted, the imbalance of power between the Erie region and a global corporation such as GE is virtually insurmountable.

“For a large corporation, the reality is that their first priority has to be their shareholders,” she told Martin.

“They don’t have the kind of relationship with the community that we have with them.” That is to say, Erie has nothing to hold over GE for leverage of any sort, no matter the quality of the work done by employees in Lawrence Park or how very badly the region needs those jobs or treasures its GE legacy.

Denial is an important phase of grief. But Erie must look toward its future, which is innovation. Companies like Erie Insurance were birthed here with good ideas and hard work. Resources now are growing to fuel a new Erie economy.

In recent weeks, Erie County’s four institutions of higher learning unveiled the exciting new Northwest Pennsylvania Innovation Beehive Network. Each school, Penn State Behrend, Gannon University, Mercyhurst University and Edinboro University of Pennsylvania, will host a lab bringing to bear its expertise on aspects of business development to aid aspiring entrepreneurs.

And on Saturday, Blasco Library held the ribbon-cutting ceremony for the Idea Lab, a 5,000-square-foot public space where those dreaming of starting their own businesses can go to access advanced technology, such as 3D printers and scanners, computer-assisted design programs and other software. Library staff and community members will also teach classes on design, technology and job-search skills.

Energy, attention and funds must be focused on these and programs such as the Innovation Collaborative, the Erie Technology Incubator and more.

Strong new innovation economies have emerged in other Rust Belt communities, in part because of the brain power that resides in them as a legacy of the storied industrial past. Erie’s past must be honored, and also deliberately, creatively tapped and transformed.

OUR VIEW

Make most of new county blight funds

The issue: Budget contains blight windfall
Our view: County, city must cooperate

The state gaming expansion legislation, however unsavory as a way to balance the state’s books, played out excellently for Erie County.

The Erie County Gaming Revenue Authority appeared poised for elimination early in the state’s budgeting process. Some lawmakers disapproved of its handling of funds, including the authority board’s decision to cover Executive Director Perry Wood’s pursuit of a doctorate.

But ECGRA, which has doled out to worthy causes millions of the local share of taxes paid by Presque Isle Downs & Casino, survived intact, with reasonable new oversight measures imposed.

In addition, the Legislature carved \$1 million out of ECGRA’s annual share of gaming revenues for an Erie County land bank to address one of the region’s most pressing problems — blight.

That is where things could get messy. Already, proposals for the money are rising from either side of the city/county divide.

Erie County has no land bank. The city of Erie, home to more than 9,000 blighted properties, has created a land bank and is in the process of drafting intergovernmental agreements with the requisite taxing bodies, including Erie County and the Erie School District.

Erie County Councilman Kyle Foust wants to put the \$1 million in a new fund to support revitalization projects countywide.

Erie City Councilman Bob Merski and T.J. Sandell, chairman of the Erie land bank board, suggested the money could fund the city’s land bank. Other municipalities could use the city’s land bank if they “buy in” to it, Merski told Erie Times-News reporter Kevin Flowers.

Erie County Councilman Jay Breneman, for his part, tweeted Wednesday that the county will establish a land bank by the end of the month to serve the entire region.

Chris Mong, the city’s director of economic and community development, and Erie County Executive Kathy Dahlkemper’s spokeswoman, in contrast, voiced no plan, only the need for collaboration and dialogue.

That is the right place to start. This issue must not devolve into an embarrassing turf war like some city and county officials waged over the Erie Metropolitan Transit Authority’s charter renewal.

Officials should meet and fashion the most efficient, comprehensive way to deploy this money to its intended purpose, a land bank for blight eradication in Erie County. Those discussions should include the implementation of Act 152, which could generate an additional \$200,000 a year for blight reduction via a \$15 fee on deed and mortgage recordings. Both *Emergence 2040* and *Erie Refocused*, comprehensive plans for the region and Erie, respectively, should guide the deliberations.

Sandell rightly cautioned against duplications of effort. The region can’t afford that.

This money offers a rare opportunity. Use it wisely.

OUR VIEW

Another year, another state budget mess

The issue: State budget finally complete
Our view: Citizens deserve better

The Erie region won big in the recently completed 2017-18 state budget.

The Erie School District’s finances are stabilized thanks to \$14 million in additional recurring funding. The Erie County Gaming Revenue Authority, which had been threatened by a Supreme Court ruling, survived intact.

It will continue to distribute millions in Presque Isle Downs & Casino tax revenues to support nonprofits and transformational initiatives here. And thanks to the budget, \$1 million of that revenue will be dedicated to Erie County blight removal.

Erie’s good fortune aside, the Harrisburg clown show that produced this budget is nothing to celebrate.

The process began on a hopeful note. It followed a series of bipartisan wins: the GOP-controlled Legislature and Democratic Gov. Tom Wolf inked legislation on public employee pension reform, state liquor sales modernization and the legalization of medical marijuana.

The Legislature passed a \$32 billion 2017-18 spending plan on time in June, which Wolf did not oppose. And news soon emerged that Wolf and the Senate had agreed on a revenue plan that included a long-awaited severance tax on the natural gas industry and a mix of new taxes, including on utilities.

Anti-tax militants in the House balked. Instead of staying in Harrisburg and working until there was a resolution, they left for summer break. The state’s credit rating was downgraded during the impasse, with a ratings analyst faulting the state for its chronically late budgets and reliance on short-term gimmicks over recurring revenue.

The revenue package approved in recent days contains more of the same. It bridges a \$2.2 billion deficit with a gambling expansion that promises to strew gambling devices in public spaces, including truck stops and perhaps Erie’s airport. It borrows from the state’s tobacco settlement fund and scoops cash out of special funds designated for things such as environmental cleanup and transportation. Fireworks and online shopping will be taxed.

A Wall Street analyst told Pennlive.com that the revenue measures in this budget raise the odds of another credit downgrade, meaning it will cost the state, i.e. taxpayers, even more to borrow.

The Legislature’s inability — due largely to ideological differences within the GOP — to efficiently and maturely budget is embarrassing, damaging and dismally enabled by gerrymandering.

Two cities, Pittsburgh and Philadelphia, have the goods to contend in the race to win the race to host Amazon’s second headquarters. How will the Legislature’s antics play in that consideration?

Lawmakers in Harrisburg too often ape the worst habits of those in Congress. If we can agree we need good government — especially quality schools, resources for the opioid crisis and the like — why is the notion that it must be paid for so onerous? Pennsylvanians deserve better.



Erie Times-News

Find u

New beginnings



On Friday, Erie business officials showed off the new headquarters for the Erie Innovation District, located on the lower level of 717 State St. in Erie. The Erie Innovation District is also partnering with Dell EMC, a global technology company, and several local companies to foster a forward-thinking business environment to create and attract new jobs to downtown Erie. At the podium is Karl Sancheck, newly announced president and CEO of the Erie Innovation District. (CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)

Innovation District announces headquarters, Dell partnership

By Kevin Flowers
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The Erie Innovation District has found a home — and an internationally-recognized technology partner — for its plan to make Erie a hub for innovation centered on data science, safety and

cybersecurity. Officials associated with the project announced Friday that the Innovation District's headquarters will be located within 10,000 square feet of space at 717 State St., a location that will be shared with the Erie Insurance Innovation Center.

In addition, officials announced that the Innovation District has struck a partnership with Dell, one of the world's largest technology companies, to develop a service that provides business management software

See INNOVATE, A4

Online Extras:

See more photos of the Erie Innovation District announcement: GoErie.com/Photos. See video of The Brookings Institution's Bruce Katz talking about why innovation districts matter: YouTube.com/GoErieVideo



INNOVATE

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for startup companies and entrepreneurs that work with the Innovation District.

Friday's announcements were the latest moves forward for the Innovation District, an organization charged with encouraging connections between academia and industry and sustaining and attracting businesses that are focused on safety and security.

The program, overseen by Mercyhurst University, is funded by a \$4 million grant provided by the Erie Community Foundation in partnership with the Susan Hirt Hagen Fund for Transformational Philanthropy and the Erie County Gaming Revenue Authority.

Officials said Innovation District operations should be fully established within the State Street space within the next month.

New and existing businesses, as well as entrepreneurs, can begin applying for support in January via the program's website, www.erieinnovationdistrict.com.

Karl Sanchack, the Innovation District's chief executive, said it was important to establish a bricks-and-mortar downtown presence. He called it an "ideal location" for the project.

"The startups that we'll bring in as part of our incubation will be able to work side by side with the innovators and researchers within Erie Insurance," said Sanchack, a Philadelphia native who attended Penn State Behrend. "That's literally where they're housing that team to do all of their new development projects."

"You want to get that serendipity ... between new businesses and startups," Sanchack said.

The space is an environment that encourages "out-of-the-box thinking," Sanchack said, featuring stand-up desks and other amenities that allow for "open brainstorming." And



This is some of the work space at the new headquarters for the Erie Innovation District, located on the lower level of 717 State St. (PHOTOS BY CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)



Karl Sanchack is CEO of the Erie Innovation District.

the location is in the center of downtown Erie.

"A co-location with a mature company. And it's right on State Street, which sets up the space for building out a real district. It's really phenomenal," Sanchack said.

The Dell partnership, Sanchack said, involves the company "designing integration for the software systems. Over time, we're going to bring in additional partners. ... The

software integration allows the startups to come up to speed quicker."

Douglas Lieberman, Dell's director of global alliances, said the company sees an opportunity in Erie to "leverage our capabilities and experience in service creation to enable the (Innovation District) mission through technology."

Erie's Velocity Network Inc. will work with Dell, providing internet technology.

"It's super unique in the realm as accelerators," said Joel Deuterman, Velocity Network's chief executive. "Think of an accelerator as a (business) incubator on steroids. So getting Dell to give us some of the resources they have to launch makes it like nothing else."

Bruce Katz of the Brookings Institution, an authority on innovation districts and the challenges facing cities, attended Friday's announcement.

Katz applauded the local effort.

"It's absolutely critical that you've got a bunch of major anchor institutions, companies and universities and foundations coming

behind this," Katz said. "There's the potential to speed quicker."

Also Friday, Innovation District officials announced:

- A partnership with Cleveland-based national technology company MCPc. MCPc works with Fortune 500 companies, hospital systems, financial institutions and other companies to help them select and manage the desktop computers, cell phone technology and other equipment they use to do business.

- Funding support from Ben Franklin Technology Partners for eligible early-stage technology startups.

"The commitment to innovation is an important building block in creating and sustaining a vibrant community," said Tim NeCastro, Erie Insurance's president and chief executive. "It says we're ready for the future."

Other partners in the Downtown Erie Innovation District include McManis and Monsalve Associates, UPMC and Velocity Network Inc.

The Innovation District

project complements Erie Refocused, the city's first comprehensive development plan in decades. The plan addresses Erie's needs in a number of areas, including housing, transportation, land use and economic development.

Erie Refocused also suggests the city look for creative ways to attract private financial investment, matched by public dollars, for various projects.

An action plan for implementing Erie Refocused projects suggests that the city support the establishment of innovation districts and technology incubators downtown.

The comprehensive plan will likely take years to implement and that its many recommendations could cost as much as \$600 million. The city will most likely move forward in stages, based on community priorities and available financing.

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



Cities weigh whether to allow mini-casinos

The Associated Press

HARRISBURG — Pennsylvania's days-old law expanding its casino industry has set off debates in cities and towns around the state about whether to try to lure one of the 10 new mini-casinos created by the law, or ban them. It's part of an aggressive new expansion of gambling that will bring casino games to Pennsylvanians' cellphones and tablets and the state's airports, truck stops and farther-flung parts where gambling at a real casino has, for the past decade, meant driving an hour or two.

Now, cities like York, Lancaster, Reading, Gettysburg, Johnstown, Altoona, Williamsport and State College could be targets for the state's existing casino operators to seek out a new customer base in Pennsylvania, already the nation's No. 2 state for commercial casino gambling revenue behind Nevada.

Boosters say a casino will bring tourism, millions of dollars of investment in construction, permanent casino jobs and spin-off economic development — not to mention a cut of casino profits for the host city.

Lancaster Mayor Rick

Gray said he probably will recommend to City Council that it vote to ban a casino. He doesn't like gambling as a revenue source.

"I'm a strong believer that if you want revenue, you should raise taxes," Gray said. "You shouldn't really impose a regressive fee on the hopes of poor people."

In Williamsport, Mayor Gabriel Campana has not yet read up on the law. But, he said, he would rather fund revenue through choices that residents make than through raises.

"I'd like to have the opportunity to sit down with citizens to discuss how they feel about it, because every time you bring gambling into a community, there's some pros and there's some cons," Campana said.

Towns and cities in Lawrence County may not be on the casino owners' A-lists, but county officials are pulling together their own marketing to attract attention. A casino in Lawrence County also could attract Ohioans just across Pennsylvania's western border, stoner Dan Vogler.

Some areas of Pennsylvania are off-limits. One provision of the

owners can submit the sealed bids. The auction winner gets their choice of site, with a prohibition against any other new casino within a 15-mile radius. A table games permit costs an extra \$1.5 million.

Pennsylvania casino owners are wary about discussing their plans. They, like the public, first saw the gambling expansion bill just hours before lawmakers approved it last week and sent it to Gov. Tom Wolf, who signed it Monday.

Most vocal is Pennsylvania-based Penn National, owner of Hollywood Casino in suburban Harrisburg. The company said it is considering suing because the mini-casino licenses represent a unique threat to its business, whose customers do not come from a concentrated area but are spread out across central Pennsylvania. As a result, the company may use a mini-casino to protect its customer base.

"The playing field has yet to be truly determined at this point," said Eric Schippers, a Penn National spokesman. "But I will tell you we are in the uniquely awkward position of figuring out how to protect our market share."

law scratches out much of northeastern Pennsylvania around Mount Airy Casino Resort, founded by billionaire Louis DeNaples, as well as Armstrong County, perhaps inadvertently, Fayette and Montgomery counties are also banned because both are home to a resort casino — Valley Forge Casino and Lucky Luck Casino.

Nemacolin — that are similar in size to the new mini-casinos. Then there's a 25-mile prohibition around the existing casinos. That means Pennsylvania's most heavily populated areas are off limits, unless a casino operator wants to put its own mini-casino nearby, such as an Erie lakefront location for Presque Isle Downs Casino.

First up is the deadline for municipalities to decide whether a casino is for them. Under the law, a municipality can approve a resolution before Jan. 1 prohibiting one of the new casinos. It can undo the decision later, but then that's it — it cannot reconsider. By Jan. 16, the Pennsylvania Gaming Control Board must hold the first blind auction for one of the licenses. The mini-mum bid is \$7.5 million, and only Pennsylvania's licensed casino

ANOTHER VIEW

QUEST VIEWPOINT

Community college is vital investment in Erie County's future



Tom Hagen

The time is now to put Erie County first.

For decades, Erie County taxpayers have helped support Pennsylvania's 14 community colleges through our state tax dollars. We've shared in the cost. Now, we have the opportunity to also share in the many benefits, by establishing a community college we can call our own.

I've joined many other business, civic and nonprofit leaders in strongly supporting the Erie County community college. And I was happy to see two of the top three employers in the county — UPMC Hamot and Erie Insurance — recently throw their support behind the community college plan at the state Board of Education's public hearing.

A community college for Erie County is about much more than simply leveling

the playing field. It represents a vital and necessary investment in our shared future at a critical time in our region's history. Everywhere one travels in this country, there are long-established community colleges, and these are the very communities that Erie County competes with to attract companies and new jobs.

Erie County is at a crossroads. We are facing the fallout from the fast-changing global economy, persistent poverty, and a host of related challenges. Yet, at the same time, what the Erie Times-News recently described as a series of "transformational initiatives" hold the potential to revitalize our local economy in dramatic and lasting ways.

Erie Insurance is committed to playing its part. The company has invested millions of dollars in expanding its operations and improving its neighborhood — and continues to devote time, money and resources to support the broader Erie community. It's heartening to see similar multimillion-dollar investments from the businesses and hospitals,

downtown and bayfront development, as well as energized focus on innovation and entrepreneurship.

However, to best leverage these opportunities requires a strong economic foundation that will position Erie County to take full advantage of private-sector investments. A stand-alone community college is an essential pillar in that foundation, filling a pressing need that benefits students of all ages and backgrounds, as well as employers across a range of industries.

While our existing colleges play a crucial role, a community college fills a different — and equally important — niche. Edinboro University of Pennsylvania President H. Fred Walker acknowledged this point at the recent public hearing. Walker spoke in favor of establishing a community college, stating Edinboro University will no longer offer associate degree programs in a community college-style format, as those offerings don't align with the university's core mission as a four-year institution.

Meanwhile, many manufacturers in our community

are sounding the alarm about a growing shortage of skilled labor as many employees in the current workforce approach retirement. The manufacturers emphasize that only a stand-alone community college can scale to meet their anticipated needs. With projected yearly tuition for full-time students at \$2,400, the Erie County community college would offer the right mix of affordability and accessibility for students — as well as the targeted curriculum and classroom training applications that align with the evolving needs of local employers.

Erie's business and labor leaders understand the once-in-a-generation opportunity the community college represents, which is why they have joined forces in urging the state Board of Education to approve the college plan.

Besides Erie Insurance and UPMC Hamot, other outspoken supporters of the community college include the Erie Regional Chamber and Growth Partnership, the Erie Regional Manufacturing Partnership and a host of prominent unions, such

as the UE Local 506 union at GE Transportation.

It's not often that all of these groups stand together — but they are united by a shared vision for a community college that can make our region more competitive, battle brain drain, and provide an answer to chronic unemployment and poverty.

When the Erie School District found itself on the brink of insolvency last year, our community came together in unprecedented ways to reach viable solutions.

I can't think of a better way to build on that progress than to create an Erie County community college that can offer an affordable and accessible stepping stone for many students, both in the city and throughout our county.

The time is now to put Erie on equal footing with the rest of the state and nation. The time is now for the Erie County community college.

Tom Hagen is the chairman of Erie Insurance, chairman of Custom Engineering, and former Pennsylvania secretary of commerce in the Ridge administration.



OUR VIEW

Erie's future depends on innovation

The issue: Innovation District gets HQ
Our view: Erie must embrace change

Erie's future will be what Erie makes it. The cavalry — that is, a rescue by gridlocked, feckless state and federal government — is not coming, urban expert Bruce Katz told a crowd at the Jefferson Educational Society Global Summit IX on Thursday.

A city like Erie must look inward instead and discover "what gives (Erie) the ability to compete globally and make its mark on the world," Katz said in a presentation that also featured insights from former Pittsburgh Mayor Tom Murphy.

Erie has long tarried with the hope that leaders would "bring jobs" to the area. Katz suggested Erie's regeneration, after decades of devastating industrial job losses, must start locally with the creation of new businesses that grow until Erie becomes the kind of place big companies come to — not because they are lured by big government incentives — but because they have to be here in order to compete.

An innovative, entrepreneurial approach to Erie's future has been gaining strength through initiatives at local universities and other forward-looking programs.

It took a bold step forward Friday with news that the Downtown Erie Innovation District, launched by a \$4 million grant in 2016, has chosen 717 State St. to serve as its headquarters, as detailed by Erie Times-News reporter Kevin Flowers. The downtown Erie office building is already home to the Erie Insurance Innovation Center.

The Innovation District will be centered on cybersecurity, cybersafety and data science, which are areas of expertise and importance for the Innovation District partners — Erie Insurance, UPMC, Mercyhurst University, McManis and Monsalve Associates, and Velocity Network.

Dell, one of the world's largest technology companies, will develop a service to provide business management software for startups and entrepreneurs who work with the Innovation District.

The Innovation District headquarters should be operational within a month. Entrepreneurs and existing businesses can begin applying for support in January via the website www.erieinnovationdistrict.com.

This important news must be seen within the context of the many initiatives accelerating change in Erie after so many years of drift and trauma. That list includes hundreds of millions of dollars of investment on the bayfront and downtown, the mobilization of grassroots neighborhood groups, and the formation of the Erie Downtown Development Corp.

Questions at the end of Katz's presentation on Thursday focused nearly exclusively on Erie's self-esteem. Could Erieites shed their weary fatalism to see the city's deep potential for global relevance?

Katz seemed confident that Erie possesses the landscape, capital, brainpower and heritage to reinvent itself and serve as a model for cities of its size.

Announcements like the one about the Innovation District should make that easier for all of us to believe.



RESOLUTION NUMBER 13, 2017

**Resolution to Enter Into Contract for Annual Auditing Services with
MaherDuessel, CPA**

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law, Act of August 23, 1967 P.L. 251, as amended, 73 P.S. 371 et seq., the Pennsylvania Race Horse Development and Gaming Act, Act of July 5, 2004 P.L. 572, as amended, 4 Pa. C.S.A. 1403 ©(2)(v) and the Erie County Gaming Revenue Authority Bylaws, resolves to enter into a four year contract for annual auditing services with MaherDuessel, CPA, for the conduct of its business at the agreed upon fixed amount of \$6,000 per audit year, to the extent and as outlined in the attached Exhibit "A".

On the motion of _____, seconded by
_____.

This resolution was passed on the 9th day of November 2017 by a vote
of _____ - _____

ERIE COUNTY GAMING REVENUE AUTHORITY

Dave Sample, Chairman
Erie County Gaming Revenue Authority

November 9, 2017

ATTEST:

Dave Yapple, Secretary ECGRA



MaherDuessel

October 6, 2017

Board of Directors

Mr. Perry Wood

Executive Director

Erie County Gaming Revenue Authority

5340 Fryling Road, Suite 201

Erie, PA 16510

Dear Board of Directors and Mr. Wood:

We are pleased to confirm our understanding of the services we are to provide the Erie County Gaming Revenue Authority (Authority) for the years ended March 31, 2018, 2019, 2020, and 2021. We will audit the financial statements of the Authority as of and for the years ended March 31, 2018, 2019, 2020, and 2021.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of Directors of the Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2)

fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys and confirmations from financial institutions as part of the engagement, and they may bill you directly or indirectly through us for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions

of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of the Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees,

former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Maher Duessel and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any Regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maher Duessel personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the Regulator or its designee. The Regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Jeffrey W. Kent is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Professional standards require Maher Duessel to establish policies and procedures designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations. It is Maher Duessel's policy that any complaints or allegations should be reported to the managing partner (Elizabeth E. Krisher) or engagement partner identified within this letter.

Audit Meetings

Management will arrange for Maher Duessel to meet with the Authority's Board or an appropriate committee thereof, in connection with the audit. Generally, the meeting can occur in advance of and following the completion of year-end fieldwork for the audit of the Authority's financial statements.

Use and Distribution of Reports

Maher Duessel will provide draft reports to management for review and approval before issuance. Final reports for internal use and external distribution will be delivered to the Authority. The Authority's use and distribution of reports is expected to be limited to (1) filings routinely required by governmental agencies, (2) lenders, and (3) internal use. If the Authority intends to publish or otherwise reproduce the financial statements and make reference to our firm name, the Authority agrees to provide Maher Duessel with printer's proofs or masters for our review and approval prior to printing. The Authority also agrees to provide Maher Duessel with a copy of the final reproduced material for our approval before it is distributed.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information, and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic sites with the original document.

Confidentiality

The Authority understands that the AICPA Rules of Professional conduct ordinarily preclude an auditor from disclosing confidential information obtained in the course of an audit engagement unless the client specifically consents. Professional standards also require that auditors prepare working papers to document the performance of the audit. While such working papers will remain the property of Maher Duessel, the Authority will have a right to a copy of any working papers that contain data that constitutes part of a client's records. The AICPA requires members who practice public accounting to participate in either a Quality Review or Peer Review practice-monitoring program. Maher Duessel is enrolled in such a program. The

Authority grants permission for Maher Duessel to respond fully to inquiries and allow review of working papers in connections with practice monitoring program activities.

Fees

Professional fees for the scope of recurring services will be:

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>\$ 6,500</u>	<u>\$ 6,700</u>	<u>\$ 6,900</u>	<u>\$ 7,100</u>

Out-of-pocket expenses associated with these services will be reimbursed. Should the Authority experience changes in funding or organizational changes which would no longer require external audit services, the Authority can elect to end the term of this agreement prior to the commencement of audit services related to the annual periods noted above.

The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In the event that representation by legal counsel, during the term of this agreement or subsequently, is deemed necessary by Maher Duessel in connection with any aspect of this engagement, fees and expenses for counsel will be reimbursed to the auditor as out-of-pocket expenses.

Additional Services

Maher Duessel may provide additional services which can be either non-recurring matters or changes to the scope of recurring services, including matters such as: (1) changes to the body of compliance and other requirements applicable to the Authority; (2) changes in the nature or scope of programs that comprise the reporting entity; (3) changes in the application of

accounting principles or the application of new principles; (4) changes to auditing standards of a nature that results in an increase in the audit effort required; (5) management requests for procedures of a nature and extent beyond those necessitated for an audit; (6) consent letters; (7) costs related to required surcharges; and (8) matters of management responsibility (e.g. the condition of records) or other matters beyond Maher Duessel's reasonable control that impair the efficient conduct or expand the scope of effort beyond the audit procedures necessary for the scope of recurring services.

In the event that the Authority requires additional services, the Authority may request that Maher Duessel provide such additional services and pay fees based upon professional hours.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Maher Duessel



BY: _____
Jeffrey W. Kent - Partner

The arrangements described above are accepted by Erie County Gaming Revenue Authority.

BY: _____
Signature

Title

Name of authorized signer

Date



Neighborhood and Infrastructure Revitalization Fund

Proposal

Introduction

Due to the recent changes in the state gaming law in the Commonwealth of PA, it has become necessary for Erie County to create a "land bank" to administer \$1,000,000 that will fund the land bank. The land bank, to be known as the Neighborhood and Infrastructure Revitalization Fund fits in with numerous plans that recommend aggressive action to revitalize our economy through infrastructure. These plans define infrastructure as: redevelopment of buildings, historic preservation, green spaces, parks, trails, main streets, bike lanes, walkability, advanced telecommunications, and targeted blight removal from neighborhoods and commercial corridors.

Those plans include:

- Erie Refocused
- Emerge 2040
- Erie Cultural Heritage Plan
- Strategic Assessment of Blight in Erie County
- Report of the Erie County Gaming Revenue Committee
- Northwest Pennsylvania Greenway, Erie County
- Back to Prosperity
- Bosworth Report
- County Health Study
- SSJNN Eastside plan
- Summit and Millcreek comprehensive plans

Despite the reoccurring themes in Erie's infrastructure needs, the current functions of local government continue to focus on sewer, water, roads, and bridges as they pertain to sprawl and focus on a car-centric community. This isn't to say these aren't essential needs. It is to point out that the current infrastructure policy does little to encourage pedestrian scale investments, redevelop over demolition, and public-private cooperation toward funding economic development.

What is Economic Development?

Economic development is about unlocking the community's full potential. It's about people accessing opportunities, industry accessing markets and technology, physical space that improves our quality of life, and gives us a competitive advantage.

For a legal definition, I turn to the PA Economic Development Financing Law. Per this statute, economic development financing agencies like ECGRA have as their purpose the following:

Stated Purpose	Examples
Promote Industrial development Commercial development Economic development	Main Street & downtown redevelopment
Promote Public & Private Infrastructure	Parks, trails, roads, broadband, sidewalks & streetscapes, baseball fields, pedestrian overpasses
Protect natural resources	Investments in solar arrays, wind turbines, other energy efficient projects
Promote the most efficient means of communications	Bridge the digital divide, invest in telecommunications/broadband
Promote & encourage retail & wholesale establishments via business development or improved residential	Placemaking projects in downtown and neighborhoods. Bike lanes, safe walkways, & other pedestrian scale improvements will encourage economic activity
Promote urban & commercial centers	Innovation Districts, small business development programs, business financing funds
Promote the development of healthcare facilities & services	School-based health centers
Promote the development of educational facilities & services	Community Schools Initiative, Go College, Tech After Hours, STEM
Promote centers for R&D, new & existing technology transfer	Ignite Erie Initiative, incubators, accelerators, product development labs, maker space
Alleviate or eliminate unemployment	Summer Jobs Program
Alleviate or eliminate blight	Renaissance Block Program, land bank, East-West Bayfront Plan

What are the Neighborhood and Infrastructure Revitalization Fund's Goals?

1. **Neighborhood Development** – multiple plans call for preventing and mitigating blight of commercial and residential property.
2. **Historic Preservation** – keeping the County's unique and historically significant buildings and residences intact preserves neighborhood character.
3. **Blight removal through rehab & demolition** – program like Jamestown's Renaissance Block Challenge incentivize property owners to reinvest where the market does not. At the same time, there's recognition that some properties are beyond repair and must be demolished to preserve the neighborhood's safety and value.
4. **Main Street Redevelopment** – main streets in boroughs & small cities like Corry have been struggling to compete with Peach Street. Communities like North East have been successful because they didn't knock down their historic structures, they redeveloped the storefronts, invested in facades, and maintained the character of the streetscape.
5. **Parks, Trails, Green Space, Recreational Fields** – aesthetics are an important aspect of economic development because people don't spend money in commercial corridors where they don't feel safe and they don't buy a home next to a dilapidated park. People need safe and healthy places to congregate and exercise. A community's parks and recreation opportunities are important to families, young people, and senior citizens.

Criteria for Application

- **Nonprofit, municipal, for profit**

Fiscal Policy

- **20% match from the applicant**

Decision-making criteria

- **Projects that create jobs**
- **Projects that support small business**
- **Projects that support historic preservation**
- **Buildings that serve as an anchor to the neighborhood**
- **Placemaking that the community has identified as a priority**
- **Aesthetic improvements to our door spaces and commercial corridors**

Funding Uses

- **Redevelopment**
- **Construction**
- **Demolition**
- **Streetscape design**
- **Façade restoration**
- **Property acquisition**
- **Equipment purchases**

Sources of Funds for the Program

1,000,000--State gaming funds

\$15 deed fee for blight

Additional matching gaming funds from ECGRA as needed

Matching dollars from the Erie County's Greenway Plan

Administrator of the Neighborhood and Infrastructure Revitalization Fund

Erie County Gaming Revenue Authority

Why ECGRA?

Creating a new authority will duplicate a competitive application process ECGRA already has in place.

Since 2013, ECGRA already has participated in and help fund blight removal and prevention projects in the amount of \$982,026 in Union City, Corry, North East, and in the City of Erie neighborhoods such as the west bayfront, eastside task force area, Little Italy, and Academy.

ECGRA offers an opportunity to match additional gaming funds and leverage those funds even further.

By law, ECGRA is still the entity designated to administer local gaming share

County Executive and County Council appoint and approve ECGRA's board members.

State's call for enhanced transparency and oversight of ECGRA should infuse further confidence in their work on the part of elected officials and the public in general.

County Executive and a member of Council currently serve as liaisons to ECGRA and its board.

Tentative steps we can take.

Approve ECGRA as the administrator of the program so they can file articles of incorporation almost immediately.

Charter to last only 18 mos. as a pilot program so we can alter the program in the future if it needs improve or disbanded.

Allow the County Executive to have 2 additional appointments (voting members) to the NIRF Board

