



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

May 21, 2020

This meeting is held via Zoom due to Governor Wolf's orders to stay at home during the time of this COVID-19 crisis.

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on May 21, 2020 via Zoom with a link that was provided to all Board members by the Executive Director. An agenda containing the Zoom link to this meeting was posted on the ECGRA website. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Barney, Mr. Bagnoni, Mr. Cleaver, Mr. DiPaolo, Ms. Hess, and Mr. Sample. Mr. Lee, Mr. Wachter and Dr. Wood are also present.

APPROVAL OF THE AGENDA

Mr. Sample makes a motion to approve the agenda as presented. Mr. DiPaolo seconds the motion. There is no discussion of the agenda. Motion carries 6-0.

APPROVAL OF MINUTES – April 2020

Mr. Cleaver makes a motion to approve the minutes as to be amended. Mr. Sample seconds the motion. There is no further discussion on the minutes. Motion carries 6-0.

DIRECTOR'S COMMENTS

Mr. Cleaver: Mr. Chairman, I would like to make a comment. First of all, I know last month I brought up the fact of Kate Philips. I talked with her at length and I approve of what she does for us now that I know what she does, but I would till like something in writing about what she does and how mych we

have agreed to pay her for her services. If maybe Perry you could get that information to me I would appreciate it.

Dr. Wood: I will do so.

Mr. Cleaver: The second thing I would like to bring up, is I would like to know the seven original Board Members and when the ECGRA organized; the year I think was 2009 or maybe 07 or 08. Whatever it was, I would like that information and I can talk to Perry on the phone or something so I can get that. That's about it. Thank you.

Mr. Sample: Whitey, I can send you the minutes from the original meeting. That was in 2008.

Mr. Cleaver: That would be great.

COMMENTS BY THE CHAIR

Mr. Paris is not in attendance today and Mr. Bagnoni, as acting Chair, has no comments at this time.

PUBLIC COMMENT

It is noted that Jeanne Miller from Girard Borough is on the call but when asked if she had any comments, she declined.

PRESENTATIONS

There are no presentations.

COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Barney: Good morning everyone. Hopefully everyone has been staying safe. I will now present the Treasurer's Report. I apologize for that error last month (regarding Summer Jobs) and I'm glad you all approved the correction earlier in the meeting.
We will start with the April Profit & Loss. I want to remind you that this is the first month of the fiscal year. You'll see the interest from Savings, the Progress Fund, and the EDF Restructured came in. You will also note that in the Income section there is now the Immediate Human Relief Fund and that is something new; that is from Erie County government for us to manage. Next you'll see the expenses and there is nothing out of the ordinary there. Other Income and Expenses you'll see the COVID-19 Immediate Human Relief Fund; so far, we have given out \$303,736 and then the Small Business is \$465,000 and that is to Bridgeway Capital.
The next page is the Balance sheet and there is nothing new to jump out at you. I would like to point out under Notes Receivable – NR BWC Small Business shows \$290,000, and then you have the NR BWC Nonprofit for \$100,000 – which is the amount we have distributed so far. Next is the Statement of Cash Flow, and as indicated on the other page you

see the \$290,000 and \$100,000, but under that you'll see the \$78,000; that is the 20% we put aside for the Reserve of those Notes.

Moving on to the Budget vs. Actual, you can see the Government Relations Services which is the Ridge Policy Group, that is our final payment. Professional Services is Parker Philips; Whitey, I am glad you had an opportunity to talk to the young lady. Legal services may look high, but that is two months' worth of payments since we didn't pay last month; well, we paid them but the next invoice came after our meeting, so it was two payments. We will run into that situation next month on Rent, because if you notice on this report under Rent, you see no payment. We hadn't received an invoice so we didn't pay them. So, next month the rent will look high because it will be a double payment. Going farther down you'll see nothing out of the ordinary; just postage, office supplies, subscriptions which is Times News. When you get down to where it says Bank Fees, keep in mind that \$30 of that is for the security token rental for electronic transfer and that will show every month for the rental to be able to provide the service of electronic transfers.

When you go down to the Other Types of Expenses, you'll see Outreach for \$801 but you may wonder how we did outreach with the Corona and everything, but we did have a function set up, which was the Metro 100 Corry, and we had already done invitations and things and so we just had to eat that expense, which is indicated there. The rest of the items like Phone/IT, Insurance, and Salaries are all standard. If at any time you have any questions, don't hesitate to stop me and let's address it.

The next page is the Schedule of Grant Reserve and you'll see at the top the Committed and Uncommitted Funds; we are working with the Uncommitted Funds. You'll see the disbursements for the first quarter and then the listing of organizations that indicate the things that were approved pertaining to the COVID-19. Are there any questions or is there anything that you see that you weren't aware of?

Mr. Cleaver: Dale, if I may, what's the total, Perry, for this virus that we have extended dollar-wise? Is it the bottom line of \$303,736?

Dr. Wood: That is for the month of April.

Mr. Barney: Were you asking for the overall total?

Mr. Cleaver: Yes, the full total.

Dr. Wood: We have set aside \$750,000; \$500,000 came from ECGRA and \$250,000 came from County Council.

Mr. Cleaver: Ok. Thank you.

Mr. Lee: Dale, before we proceed, I did have a question for Dr. Wood. Dr. Wood, in reference to the documentation that is being submitted to ECGRA for the drawdown for the Relief Fund, are you and your team pleased with the documentation and are we good on that?

Dr. Wood: I would say so far, yes. We are really only a couple months in so we don't have a lot. For example, close-out reports; we're not at that stage yet. Typically, we wait 12 months before we get close-out reports on grants. The exception might be for the larger grants like the Food Bank. Their first drawdown was \$84,000, so when they came in for the second

drawdown, we asked for a report on how the first \$84,000 was spent. We have been satisfied with the communication with the grantees thus far.

Mr. Lee: Thank you, Dr. Wood.

Mr. Barney: Are there any other questions at this time? The next page shows the Bridgeway Capital drawdowns, the first, second, and third for a total of \$465,000. There is nothing to show for municipality settlements or other things because none of those have been active. The next page shows that for the month of April there has been no activity.

Dr. Wood: Dale, can I ask to pause here for one second. If the Board could take note at the bottom of this report under Pilot Programs, we only have one Pilot Program in process right now and that is the Partnership for Healthy Communities, which is Blue Zones Corry. You'll see there that we have expended \$50,000 for the Pilot and there is still another \$50,000 left on it. We are going to freeze that drawdown at this point in time and Tim is going to talk a little more about why during his report. The Blue Zones group was acquired by another entity, and the other entity is a faith-based entity, and that's fine; there's nothing wrong with that. But if they cross the line using Blue Zones as a platform for proselytizing, then they would be technically in violation of secular rules when it comes to government funding. Just take note of that - \$50,000 currently expended under the old group; \$50,000 frozen pending some type of legal review which Tim will talk about during his Solicitor's Report. Thank you, Dale.

Mr. Barney: Thank you, Perry. It should be noted that if you are looking for Blue Zones, that is the Partnership for Healthy Communities, \$50,000. The last page of the Schedule of Grant Reserve shows what has been drawn down in April, what amount is remaining, and what we originally approved. There are no problems there, so we will move onto the Check Detail Report. If everyone has had a chance to look this over, as I mentioned before, the Printing Concepts for the Metro 100 Corry is indicated and that was for invitations, the \$30 for Erie Bank is for the electronic transfer token and the \$6 for a regular bank fee. All the other things on this list are things like insurance, the COVID entries that we went over before are indicated on here, the Law Firm, Parker Philips – there is nothing out of the ordinary, unless someone sees something that they would like to question.

I think last month we spent enough time on the Treasurer's Report that we can expedite this and that is what I'm trying to do. But, if at any time I'm going too fast or there are any questions, don't hesitate to ask. Right now, we will wrap it up with Tammi's VISA. There were not a whole lot of transactions; we've got the internet, standard office supplies, postage, the IT, and other office supplies. A lot of the office supplies were things like hand sanitizer and wipes that needed increased to make sure they were adequately sanitized. If there are no other questions, that concludes my report.

There is no further discussion of the Treasurers Report. Mr. Sample makes a motion to accept the Treasurer's Report as presented. Mr. DiPaolo seconds the motion. Motion carries 6-0.

- b. Strategic Planning Committee: There was a Strategic Planning meeting and Dr. Wood will cover that in his Director's Report.
- c. Update from County Council: There is no representative to give a report.

- d. Update from County Executive's Office: Mr. Lee: Thank you, Mr. Chairman. Before I begin, I would like to thank everyone for the continued commitment that the Board is doing in this major time of crisis. Before I proceed, I see that Ms. Miller is on the call with us; Ms. Miller, if you could share with us who you are and what organization you are representing.

Ms. Miller: I am Jeanne Miller with Girard Borough.

Mr. Lee: Thank you. What I am going to spend some time discussing - and I'd be happy to take any questions - is the 2020 Summer JAM Program. There has been a lot of discussion in reference to this program and whether it was going to go on this year or whether it was not. I left that up to the employers and based on the demand of the employers would determine whether we would go forward. In prior years we have had on average between 55 and 60 employers participating and we're going into our seventh year with the program. Right now, we are scheduled to proceed with the program, but it will be modified. Currently, we have 22 employers that have expressed interest in participating in the program. In the past, we have had about 160 students on average participate in the program during the summer. That will not be the case this summer. We're looking at about 50-60 students.

It will be virtual as far as the orientation. We will make sure that all social distancing, universal masking, hand-sanitizer is utilized. We will be working with the employers to make sure that they are aware. We are planning a COVID-19 training session during the orientation which will be conducted by our Health Department.

Applications will be available on GECAC's website starting tomorrow, May 22nd. The Program is slated to start the last week of June. Again, it is subject to change. What I mean by that is that with this virus, anything can come up and can change the course. But as we speak right now, we are planning to proceed with the program. Our Solicitor for the County will be developing a form that will be essentially not holding the County or any of the funders, which would be ECGRA and the Erie Community Foundation, accountable if something should transpire; he's going to be working on that. I'll pause there to take any type of questions that you may have at this time.

Mr. Sample: Gary, does GECAC receive the same amount regardless of participation?

Mr. Lee: No. In their proposal there are administrative costs. That's a great question, Dave. The way it is based is most of the cost is driven to the student; it costs about \$2,200 per student. That's going to be reflective in the number of students that is being drawn down. And the overhead cost is a part of that ratio. Everything will essentially be prorated based on the current contract we have with them.

Mr. DiPaolo: I have a question, Gary. Do we have a list of all the people that participate in this from last year and this year?

Mr. Lee: Of course, it hasn't opened up for this year, but we do have a listing of students that participated last year.

Mr. DiPaolo: Ok. How about, do we have a listing of all the businesses that participated?

Mr. Lee: Yes, we do.

Mr. DiPaolo: Could I possibly have a copy of that? If you could email that to me, I would appreciate it. Just to see what we're looking at; that's all.

Mr. Lee: Who is that speaking?

Mr. DiPaolo: Dominick. I'm sorry.

Mr. Lee: Dominick, if you could send to me because I want to make sure I get exactly what you're requesting, if you could send me an email, I'll make sure that GECAC gets that information to you.

Mr. DiPaolo: Very good. Thank you.

Mr. Barney: How are you going to go about soliciting applicants? You said it's going to be virtual in how they do it but how are they going to inform potential applicants?

Mr. Lee: We're getting the word out through social media, of course it's on GECAC's website, I will be speaking at a couple different events through the media, so we're going to promote it through the media. As far as selection of students, it's really going to be predicated on first-come-first-served to be reviewed. That is going to be very important on the selection of students.

Mr. Barney: That was one of my major concerns because you said we were going down to 50 which is understandable with the site decrease how that process was going to play out.

Mr. Sample: Gary, could you make sure they reach out to Corry and Union City? I know the Corry newspaper covers Union City and Corry and they also have weekly papers that get to Fairview and Girard and Edinboro. The sooner they get this stuff out, the more successful it's going to be.

Mr. Lee: Sure, Dave.

Mr. Bagnoni: Are there any other questions?

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: The first thing you'll see in your Executive Director's Report is the summary of the Renaissance Block grant applicants. On today's agenda you will see Resolution 10, 2020 to adopt those applications. These summaries were prepared for your convenience and it was reviewed in a committee meeting process. So, the recommendation from the committee is captured in Resolution 10. You will also see an email from James Sparber, director of Finance for Erie County, officially announcing the first quarter 2020 gaming revenue – the local share assessment. They are in line with what we received last year; the revenue is healthy and it is flowing.

At this point the Zoom Meeting is disabled. The meeting resumes after approximately three minutes after reestablishing the connection.

Dr. Wood: The next thing you see in the report is a potential conflict of interest memo for Mr. DiPaolo when voting for the Sacred Heart Food Pantry; Tim gave the opinion that there is no conflict of

interest. Next is a conflict of interest memo for Ms. Hess when voting for the Harbor Creek High School Ear Savers grant; it has been determined that there is a conflict of interest there.

Next is a memo from Tim about the Blue Zones project; I will let him go into more detail on that during his report. He also included a memo that I had him do back in 2011 on grants to faith-based organizations; he can summarize that as well because it is all relevant. The next part of my report is a letter from Mr. Paris to Kim Clear, who is the Finance Chair on County Council. I know many of you have been asking me questions about reimbursements; this letter is in the report so each of you will have a copy and it details the investments that we have made from a programmatic standpoint and asks the Finance Chair to consider us for reimbursement in the future.

The next item is a press release from the Erie County Redevelopment Authority; as you know we have partnered with them before in the past. What we have done with COVID is we said we would work with Bridgeway Capital in helping micro-businesses which is businesses with less than 25 employees, and they will work with businesses more in the mid-size range. The press release here shows that they have put money into 28 local businesses through their funds. That is in there for your information.

Next, there is an announcement from Bridgeway Capital naming the new Erie Office Director; her name is Cathryn Easterling. She comes to us from the healthcare industry; she also has some banking experience. Bridgeway was in the process of training her right when the COVID started so she is being announced right now and we have been able to send several inquiries her way already. She is up and running on behalf of the Erie Office.

The next item is you will see that we were featured in the Nonprofit Partnership newsletter for Project Face Shield, that was a key method to get out to the Human Services and public safety community that these face shields were available. We have distributed, to date, over 2,000 face shields. We voted electronically and today I will need you to retroactively approve the ability for me as the Director and the staff to expend up to \$20,000 on these face shields. We will talk about that under new business.

Then you will see letters of appreciation from many of the organizations that have received funds from us and then my report is rounded out by media clippings recognizing ECGRA for the great work that we are doing in the region. Are there any questions for the Director?

SOLICITOR'S REPORT

Mr. Wachter has not yet rejoined the meeting to give his report. Dr. Wood steps in.

Dr. Wood: Let me be real brief and give you the layman's perspective after talking to Tim about Blue Zones Corry. In essence what happened is, Tim is Solicitor for the Corry School District – and Gary you can chime in too if you are aware of this discussion – but the Corry School District reached out and said that Blue Zones had been acquired and since we are a partner in the Blue Zones process, with the new group that was coming in there was concern of a lot of proselytizing going on in their process. That is not definitive yet; it is still being looked into. I know the Health Department is looking into it as well because it is a really important initiative; the wellness portion of it is amazing. We just have to tread lightly so I asked Tim to put together the memo that is in your packet because we need to show that 1) we recognize that this is a potential problem and 2) we need to do our due diligence to make sure that we are in accordance with that aspect of secular behavior, if you will.

The whole purpose of the faith-based initiative memo is to remind us that there is nothing wrong with giving a government grant to a church or any kind of religiously affiliated entity; in fact, they are some of our most amazing partners in this community. What is wrong is when they use our money to proselytize; that is a federal law that would be violated there. We are aware of it, I want to make sure the Board knows that we are aware of it, we are going to continue to monitor it, and I will be working with Tim to come up with some type of legal decision here.

OLD BUSINESS

There is no old business to report on.

NEW BUSINESS

- a. Resolution Number 10, 2020 – Resolution to enter into agreements with seven (7) entities that comprise the recipients of the 2020 Renaissance Block Program

Dr. Wood Reads the resolution.

Mr. DiPaolo: I have a question. Unfortunately I couldn't make the meeting but I had reached out to Tom Maggio and the question that I have is that the Girard grant was \$51,250 and that was okayed and the Corry was \$100,000 and that was okayed at \$100,000, the North East and Union City asked for \$100,000 and they're only getting \$60,000 – is there a reason why Corry gets the full \$100,000 where the other ones don't?

Dr. Wood: Mr. DiPaolo, both the Borough of North East and Union City Borough, that is their second Renaissance Block application and both of those groups have multiple grants with us in process as we are awarding these, including Mission Main Street grants. They are doing a great job, by the way. But they have a lot on their plate. Impact Corry – that is their very first Renaissance Block grant; most of these Renaissance Block grants when they started out received higher amounts. Corry asked for \$100,000 and we did recommend it for a number of reasons: 1) it was their first application, 2) it is probably the most organized application that I have seen in the entire Renaissance Block Program. The amount of pre-planning that went into it was incredible; they did extensive surveying and we have those documents as well as the media that they did on it, and finally 3) the City of Corry is much larger than these Boroughs; it has a higher level of density; it's got a more sophisticated footprint.

Mr. DiPaolo: I just needed an explanation on that because it was just kind of funny that everybody else was getting \$60,000 and they were getting \$100,000. That was my question. Thank you.

Mr. Bagnoni: I see that Tim is back in the meeting. Tim, would you like to go ahead and give your report?

Mr. Wachter: Thank you. It took me a minute to get back into the system. There are two different things: we supplied a conflict of interest letter for Mr. DiPaolo indicating that he does not have a conflict of interest in relation to an award made to Sacred Heart Food Pantry. We provided a conflict of interest memo for Ms. Hess stating that she does have a conflict of interest with respect to the approval of a resolution today regarding the award for the ear savers that Mr. Sample had shown earlier in the meeting.

Additionally, on the issue of the Blue Zones, Perry explained it fairly well. They were purchased in April by a group called the Seventh Day Adventist Health System, which is a faith-based health system. It appears from the press related to the purchase that one of the reasons that they bought it is that a large portion of their membership is in a community in California and that is the central core of Blue Zones called Loma Linda, California so it meets within their mission. The concern is not that it is a faith-based organization; the concern is that the

establishment clause of the First Amendment to the Constitution and a related provision within the Pennsylvania Constitution, prohibits our spending money in a way that would advance a religion which would endorse (inaudible). The materials that are put out by this organization, this health program, do have a high level of proselytizing in them and their very mission is related to health through God and things of that nature.

We do not have the luxury of inserting our personal opinions regarding that in this particular matter and what I have suggested is that prior to continuing to fund this that we take a look to see if the program is now to be delivered still in a fully secular model or if it's going to have a religious tenance to it or proselytizing to it. If it does, then we need to figure out how we're going to deal with that. But we're not in a position where we're going to be able to fund proselytizing, we can only fund those secular acts.

I did provide a memo to that regard that also relied upon a memo that we provided to the Authority in 2011 that dictates how it is that we are to fund faith-based organizations and not run afoul of the establishment clause, and so this advice has been consistent over the years and it's worked. We have been able to figure out a way t make it happen when appropriate and we will need to do an appropriate level of due diligence before I make a recommendation.

Mr. Bagnoni: Thank you, Tim. Are there any questions?

Mr. DiPaolo: Tim, I just wanted to thank you for the opinion.

Dr. Wood: We will go back to the Resolution Number 10.

Mr. Barney makes a motion to adopt the resolution. Mr. DiPaolo seconds the motion. There is no further discussion. Motion carries 5-0-1, with Mr. Sample abstaining.

- b. Resolution Number 11, 2020 – Resolution to fund applicants selected through the Immediate Human Relief Grant Program as part of the Erie County COVID-19 Response Fund.

Dr. Wood reads the resolution.

Mr. DiPaolo makes a motion to adopt the resolution. Mr. Sample seconds the motion. There is no further discussion of the resolution. Motion carries 5-0-1, with Ms. Hess abstaining.

- c. Motion to retroactively allow the Project Face shield Account in the amount of \$20,000 for the purchase of face shields to distribute to local nonprofits and small businesses.

Mr. Sample approves this motion. Mr. seconds the motion. There is no further discussion. Motion carries 6-0.

Mr. Sample: Can I just make a comment to Mr. Cleaver? I have emailed you a copy of the minutes from May 29th.

Mr. DiPaolo moves to adjourn.