

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – October 8, 2009**

Call to Order:

A meeting of the Erie County Gaming Revenue Authority was held on October 8, 2009 in the Press Conference Room, Suite 504, Erie County Court House, Erie, PA 16501. Legal notice of the meeting was given through an advertisement appearing in the Erie Times News on June 4, 2009. The meeting was called to order by Chairperson Jennifer Dobbs Woods at 11:35 a.m.

Roll Call:

ECGRA Voting Members Present: Chairperson Jennifer Dobbs Woods; Vice Chairperson Arthur L. Smaltz; Treasurer Stephanie B. Freeman; Mike Paris (arrived at 11:45 a.m.), David S. Sample; David H. Yaple and Charles J. Peters (arrived at 11:40 a.m.)

ECGRA Voting Member Absent: None.

ECGRA Non-Voting Members Present: Erie County Council Chairperson Ronald Cleaver.

Others Present Included: Robert R. Spaulding, Director of Economic Development; Carolyn E. Gold, Esquire, Gaming Revenue Manager; Thomas S. Talarico, Esquire; Joseph F. Giles, Erie County Council; Jake Welsh, Director, Erie County Planning Department; and Deneé Breter, Administrative Assistant to the Gaming Revenue Manager.

At the outset of the meeting Chairperson Jennifer Dobbs Woods called for a motion to Amend the Agenda to move the Committee Reports of the Budget and Finance Committee and the Personnel Committee to an Executive Session to be held at the end of the meeting because of personnel matters. Said motion was made by Stephanie Freeman; seconded by David Yaple; voted upon unanimously by voting members present, and the Agenda was so amended.

Also, Chairperson Jennifer Dobbs Woods called for a motion to Amend the Agenda to add, under “New Business,” “Discussion on Resolution No. 04, Resolution to Approve Municipal Grants of 2008 Gaming Revenue.” Said motion was made by David Sample; seconded by Stephanie Freeman; voted upon unanimously by voting members present, and the Agenda was so amended.

Hearing of the Public:

Eric Borenstein, Executive Director, Erie Philharmonic:

Mr. Borenstein thanked ECGRA for the opportunity to speak about the orchestra and the importance of public support. He advised that last year the Philharmonic worked hard to stabilize and hold a place of prominence in the community. Even when events are “sell outs,” ticket revenue accounts for approximately 35% of earned revenue, which is less than 50% of budget. Therefore, the Philharmonic relies heavily on unearned revenue. Regional Assets funding was critically important in helping pay down the line of credit and funding a portion of the endowment: all funds received went towards stabilization

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – October 8, 2009
Page Two**

vs. operations. He advised that continued support from the County is important. Mr. Borenstein introduced Board Treasurer Douglas Murphy and provided to ECGRA members a Resolution from the Board of Directors of the Erie Philharmonic of October 1, 2009 supporting the recommendations in the August 3, 2009 letter from the Erie Regional Chamber and Growth Partnership, the Erie Community Foundation and VisitErie.

Brady Lewis, Employee of Mercyhurst College:

Mr. Lewis advised he has been a supporter of the arts of over 40 years and served on a number of boards. In the 1990's he was President and General Manager of WQLN and therefore is familiar with fundraising. He also served in other volunteer capacities. He referred to the 2006 Economic Impact Study. There are many jobs in Erie County attributable to arts and culture in Erie County. Arts and Cultural organizations need a reliable and steady source of funding.

Diane Lucore, President of the North East Arts Council:

Ms. Lucore is a longtime Erie County resident and she attended this meeting to represent the citizens of Erie County on behalf of the arts. She was a long time employee of a local insurance company and was involved in developing an art gallery for its employees. Arts and cultural organizations provide significant economic benefits and are employers. She advised that the entire community is at risk for losing arts and cultural organizations which are essential in the development of children, leading to improved academic performance and contributing adults.

Tim Hunter, President/CEO of McInnes Rolled Rings, also representing Erie Regional Chamber and Growth Partnership:

Mr. Hunter introduced himself and referenced the August 3, 2009 letter to ECGRA from The Erie Regional Chamber and Growth Partnership, the Erie Community Foundation and VisitErie with recommendations for funding Regional Assets. He advised he was available during the meeting or afterward to answer any questions.

Brad Bierer, Fairview Township Supervisor, representing the Erie Area Council of Governments (COG) as its Vice Chairperson:

Mr. Bierer advised he attended the meeting to inform ECGRA about what is currently happening with local government; to advise that the Erie Area COG is working to make Erie County more pro-active and to advise of its intention to seek funding through uncommitted gaming funds. The COG represents the intergovernmental activities of the City of Erie, the Borough of Wesleyville and the Townships of Harborcreek, Millcreek, Lawrence Park, Summit and Fairview. He advised that Joe Giles, Erie County Council person, is Chairperson of the Erie Area COG. The first project this COG is working on is "eGov", to address best use of computer, internet and intranet to cost-effectively enhance delivery of services and to support economic development. He named other programs this COG will be working on and he advised that eGov will be introducing a program called "SharePoint" to share information and save postage.

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – October 8, 2009
Page Three**

Mr. Bierer provided to ECGRA members a cover letter of October 8, 2009 from Ed Lesser, Administrator for the Erie Area COG with attached written comments of Brad Bierer and David Henderson.

David Henderson, Franklin Township Supervisor, representing Erie County Tax Collection Committee:

Mr. Henderson advised that the Erie County Tax Collection Committee is a new process required under PA law which will require the municipalities and school districts in Erie County to have a single earned income tax collector by the end of 2011, with required planning for this completed by September 2010. He advised that the work of this Committee would be almost impossible to administer and very costly without the “SharePoint” site.

Janice Dennis, McKean Township Supervisor:

Ms. Dennis advised she was present with Linda Cagnoli, a Greene Township Supervisor. She advised that for two years in a row McKean submitted applications for municipal grants of restricted gaming funds and was turned down. She would like ECGRA to look at prioritizing for uncommitted funds the contiguous municipalities whose applications for restricted funds were turned down. Also, with regard to the liquid fuels distribution formula, she advised there are many municipalities that are nowhere near the Casino and who will never see gaming funds. She requested that some uncommitted funds be distributed to local governments using the liquid fuels distribution formula.

Tina Schiefelbein, representing Community Resources for Independence as a Volunteer:

Ms. Schiefelbein advised that they have a “Lending an Ear” program started a number of years ago. This is a program to help persons with low or fixed income get the hearing care they deserve at no or low cost. She is a co-founder of the program and a volunteer and asked the ECGRA to consider giving funds to this program.

Linda C. Cagnoli, Greene Township Supervisor:

Ms. Cagnoli advised that the municipalities that are contiguous to the host township for the casino have significant expenses. With the current economy and recent job losses these municipalities need some funding – even just once. She advised that their first proposal was for Erie County to use the liquid fuels distribution formula to get gaming funds to these municipalities. She advised that this recommendation had been made, not out of disrespect for the law, but to get money out to these communities because of the need.

Approval of Minutes:

Upon motion by Mike Paris, seconded by David Yapple and voted upon favorably by unanimous vote of ECGRA Voting Members present, the minutes of the meeting held on September 17, 2009 were approved.

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – October 8, 2009
Page Four**

Committee Reports:

Budget & Finance: Presented during Executive Session.

Personnel Committee: Presented during Executive Session.

Report of Gaming Revenue Manager:

Carolyn E. Gold reported that on October 6, 2009, Erie County Council passed Ordinance 125, 2009. This Ordinance, passed following Council's consideration of ECGRA Resolution No. 02, 2009, amended the municipal grant award for Project R-2007-21 to \$278,890.50, and authorized the transfer of the excess amount of \$231,109.50 from the original award to the ECGRA uncommitted funds account. She reported she was advised that the funds transfer would occur once the County Executive signed the ordinance.

Old Business:

None.

New Business:

Regarding the first order of new business pursuant to the amended Agenda, "Discussion on Resolution No. 04, Resolution to Approve Municipal Grants of 2008 Gaming Revenue," discussion followed concerning proposed and previously circulated revisions by Solicitor Talarico to Resolution No. 04, 2009, "Resolution to Approve Municipal Grants of 2008 Gaming Revenue." The proposed revised Resolution No. 04, 2009 is entitled, "Resolution to Confirm Award of Municipal Grants of 2008 Gaming Revenue." Following discussion, Chairperson Jennifer Dobbs Woods called for a motion to amend the original Resolution No. 04, 2009 to conform to revised Resolution No. 04, 2009 entitled, "Resolution to Confirm Award of Municipal Grants of 2008 Gaming Revenue." Upon motion by Stephanie Freeman; seconded by Charles Peters, and voted upon favorably by unanimous vote of ECGRA voting members present, the motion to amend Resolution No. 04-2009 was approved.

Regarding the next order of new business pursuant to the amended Agenda, and the approved amendment of Resolution No. 04, 2009, Chairperson Jennifer Dobbs Woods called for a motion to adopt amended Resolution No. 04, 2009, entitled "Resolution to Confirm Award of Municipal Grants of 2008 Gaming Revenue." Upon motion made by David Sample; seconded by David Yaple, and voted upon favorably by unanimous vote of ECGRA voting members present, amended Resolution No. 04-2009 was adopted.

Regarding the next order of new business pursuant to the amended Agenda, "Resolution No. 05, 2009, Resolution to amend the Municipal Grant Application," Chairperson Dobbs Woods opened the floor for discussion concerning it. Solicitor Talarico advised that the revised municipal grant application prepared by Carolyn E. Gold was well done; that many changes were cosmetic in nature and that the application called for a signed commitment letter from successful applicants. ECGRA members

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – October 8, 2009
Page Five**

indicated they previously received and reviewed the application. There being no further discussion, Chairperson Dobbs Woods called for a motion to approve Resolution No. 05-2009. Upon motion by David Yapple; seconded by David Sample, and voted upon favorably by unanimous vote of ECGRA voting members present, the motion to adopt Resolution No. 05, 2009 was approved.

Regarding the next order of new business pursuant to the amended Agenda, “Resolution No. 06, 2009, Resolution to Adopt Interim and Final Report Form,” Chairperson Dobbs Woods opened the floor for discussion concerning it. There being no discussion, Chairperson Dobbs Woods called for a motion to approve Resolution No. 06, 2009. Upon motion by Charles Peters; seconded by Mike Paris, and voted upon favorably by unanimous vote of ECGRA voting members present, the motion to adopt Resolution No. 06, 2009 was approved.

Regarding the next order of new business pursuant to the amended Agenda, “Resolution No. 07, 2009, Resolution to Advertise Municipal Grant application for 2009 Gaming Funds,” Chairperson Dobbs Woods opened the floor for discussion concerning it. There being no discussion, Chairperson Dobbs Woods called for a motion to approve Resolution No. 07, 2009. Upon motion by Arthur Smaltz; seconded by Stephanie Freeman, and voted upon favorably by unanimous vote of ECGRA voting members present, the motion to adopt Resolution No. 07, 2009 was approved.

Regarding the next order of new business pursuant to the amended Agenda, “Presentation by Jake Welsh, Erie County Planning Department – Use of Liquid Fuels Distribution Formula for Uncommitted Funds,” Mr. Welsh gave a presentation on the topic and supplied to ECGRA members the “County Of Erie Proposed 2009 Liquid Fuels Tax Fund Budget, 50-22-28 Formula, Boroughs Straight Distribution” form and discussion followed. He advised that the Finance Department handles this. It is a distribution formula which involves a weighing of three factors to determine the amount of revenue each municipality receives. Those three factors are: the mileage of roads (50%); the population based on latest census (22%); and tax millage (28%). He suggested that any discussion about using this formula should center on the fact that this is a well-recognized formula used to get funds to municipalities. The formula has a relationship to expenses that a municipality has to bear. He noted that there are a number of expenses that municipalities bear that are not considered by this formula such as storm sewer system expenses. Additional discussion followed and included comments by Joseph Giles, Erie County Councilman, and Linda Cagnoli, Supervisor of Greene Township. Ms. Cagnoli asked ECGRA to consider use of this formula in distributing uncommitted gaming funds. Mr. Giles asked that the County of Erie be included as part of the formula.

Discussion moved to the topic of Councils of Government, with David Sample asking if Corry was involved in a different COG, and whether the County of Erie funds the Erie Area COG. The answers to both questions were, “yes.” Charles Peters asked about the number of COG’s and the answer was “three.” Mr. Peters also asked whether all three

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – October 8, 2009
Page Six**

COG's had staff, to which Ms. Cagnoli responded that the East and West Councils do not have employees; they are paid by the municipality.

Regarding the last order of new business pursuant to the amended Agenda, “Uncommitted Gaming Funds Discussion.” Chairperson Dobbs Woods opened the floor for discussion on this topic.

David Sample asked for serious consideration to start a revolving loan fund so that townships can borrow at 0% interest but with a fee of perhaps 1%. He advised it offends him how Regional Assets has been dealt with and said he would have no opposition to getting funds back to Regional Assets. Also, he would want to help the County.

Ronald Cleaver, Chairperson of Erie County Council, speaking for the majority of Council, advised that County Council has used \$5.5 million of unrestricted gaming funds to save taxpayers and to help economic development. If the County didn't do this, the taxpayers would have to pay more in taxes. He would support that, if uncommitted funds were allocated for unrestricted funds, there would be funding to distribute to the arts.

Joseph Giles, Erie County Council member, advised that the gaming policy committee was reconvened after the County decided not to file an appeal from the Commonwealth Court decision (in the suit by STEIDA). He would support funding to Regional Assets up to the amount allocated out of 2007 gaming funds.

Charles Peters stated he felt it would be difficult going forward without some criteria to go by and proposed setting some initial guidelines for an uncommitted funds process. Carolyn Gold advised that she felt that a mission statement or statement of goals would assist the authority in moving forward and that this would help in defining the type(s) of grant program or other program it should then have to best meet those goals. She likened this to a theme sentence or topic sentence for a paragraph in a news article or term paper. Chairperson Jennifer Dobbs Woods said she thought the Authority already discussed this and did not want a mission statement; did not want to get too involved. Ms. Gold advised that perhaps the use of the word “mission statement” was creating the wrong impression; what she was referring to was an overall goal statement for a one year program or even a three year program to give the Authority some direction and a framework to build upon. Charles Peters advised he was not talking about a bureaucratic set of paperwork, but rather, some criteria focusing on what the Authority wanted as outcomes. Otherwise, they really don't have a sense of direction except for the broad statements in the Economic Development Law, which provides a lot of flexibility. He stated he thought it was incumbent that the Authority develop some sort of purpose or guidelines for a program. Chairperson Jennifer Dobbs Woods advised that was the purpose of today's meeting; to put a lot of things on the table.

Carolyn E. Gold, Gaming Revenue Manager, suggested that the authority consider a “three tiered” approach, with a portion of uncommitted funds being allocated to Regional Assets based upon the outcry from the arts and cultural community and cuts in funding

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – October 8, 2009
Page Seven**

for these groups; a second portion being allocated to outlying municipalities that would not otherwise have an opportunity to apply for gaming funds, through use of liquid fuels distribution formula or other similar formula and a third portion or tier for a special “transformational” project that would benefit many.

David Sample advised he was cautious about becoming too finite in a description and that he felt they needed to get money out to the outlying areas. Ronald Cleaver, Chairperson of Erie County Council, advised he agreed with Carolyn Gold that we have to get money out to the communities. The more he looks at liquid fuels, the better it looks. The Authority has to consider the 38-39 municipalities out there.

After brief further discussion Chairperson Dobbs Woods clarified what appeared to be a consensus concerning a multi-tiered approach to distributing uncommitted gaming funds. She appointed a three-member committee to formulate recommendations to the Authority for an uncommitted funds distribution process: Arthur Smaltz, Chairperson; Charles Peters and David Yapple. Also, Jake Welsh, Director of the Erie County Planning Department, will assist this committee.

At 1:00 p.m., Chairperson Jennifer Dobbs Woods called for an Executive Session to discuss personnel and finance matters. A motion to hold an Executive Session was made by Stephanie Freeman and seconded by David Sample. By unanimous vote of all ECGRA voting members present, the motion passed. Erie Times News Reporter, Kevin Flowers, objected to the holding of the Executive Session unless it was being held to discuss a specific employee. An Executive Session was held; it ended at 1:40 p.m. and the meeting was adjourned.

***Time Meeting Adjourned: 1:40 p.m.
Next Meeting: November 12, 2009
Minutes submitted by: Carolyn E. Gold, Esq.***