

**ERIE COUNTY GAMING REVENUE COMMITTEE
MEETING MINUTES – November 12, 2009**

Call to Order:

A meeting of the Erie County Gaming Revenue Authority was held on November 12, 2009 in the Press Conference Room, Suite 504, Erie County Court House, Erie PA 16507. 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 11:37 a.m.

Roll Call:

ECGRA Voting Members Present: Chairperson Jennifer Dobbs Woods, Vice-Chairperson Arthur L. Smaltz; Treasurer Stephanie B. Freeman; Mike Paris, David S. Sample; Charles J. Peters.

ECGRA Voting Member Absent: David H. Yaple

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

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

At the outset of the meeting Chairperson Jennifer Dobbs Woods advised the public in attendance that three (3) minutes per person would be allotted to each speaker during the “Hearing of the Public” segment of the meeting. She advised that the pending lawsuit/appeals may impact the distribution of uncommitted funds. Ms. Woods requested the community’s patience and understanding, given that Authority members were volunteers with their own personal obligations of family, work in many instances and involvement with community activities. She expressed thanks to the members of ECGRA’s committees for their hard work and dedication.

Hearing of the Public:

Michael Fuhrman – Mary D’Angelo Performing Arts Center: Mr. Fuhrman spoke in support of allocation of uncommitted funds to the Mary D’Angelo Performing Arts Center and the arts community. Mr. Fuhrman stated that while the Mary D’Angelo Center is somewhat of a newcomer to the arts community, they are a significant player at Mercyhurst College. He stated that they have attracted thousands of people from Erie County and the tri-state area. He suggested that any community has to have a vibrant arts community. He stated that they had 27,000 people attend the D’Angelo Center in 2008 and generated nearly two million dollars within Erie County which is a significant amount for a college. The college invests on an annual basis over \$250,000.00 of its money into the Erie community. They are the only movie house in the city of Erie, one of the few stages where you see dance; they brought the Metropolitan Opera into the community and provided a niche that is not here in the community. In many ways, this is

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very important as the Chamber and other business leaders look to draw people into the area. Although the Regional Asset monies will not be there next year, there is still a need to have the cultural amenities that bring us all together as a community.

Janice Dennis – Officer of the Erie County Association of Township Officials Organization (ECATO), McKean Township Supervisor: Ms. Dennis spoke in support of allocation of uncommitted funds pursuant to the Liquid Fuels Distribution Formula. Ms. Dennis stated that the Erie County Association of Township Officials serves 22 municipalities and over 142,000 residents. She read verbatim from a statement of Frank Stefano, President, Erie County Association of Township Officials (ECATO), dated November 12, 2009. Rather than repeat the details of the statement here, Mr. Stefano's statement is attached to these minutes as Exhibit "A" and incorporated herein by reference. Ms. Dennis concluded by requesting that the Authority seriously consider making uncommitted funds available pursuant to the Liquid Fuels Formula as suggested a few meetings ago by Jake Welsh, Director of the Erie County Planning Department.

Tina Schiefelbein – Affordable Care Hearing: Ms. Schiefelbein spoke in support of allocating uncommitted funds for a loan to pay a hearing aid manufacturer. Ms. Schiefelbein stated she is the provider for the Lending an Ear Program. She provided a handout stating she has over 13 years of experience working with people who have hearing difficulties. Although not read from verbatim, a portion of the materials supplied by Ms. Schiefelbein are attached as Exhibit "D" and incorporated herein by reference. In 12 of the years, she worked for a doctor and saw people coming in and being told that they could not get the hearing care they needed or deserved because of affordability. In 2008, she started her own practice and helped over 30 individuals get the hearing care they needed. She stated that the state average for a hearing aid is \$2,000.00. Due to the state budget not being passed, she personally funded hearing aids for the program. She was asking ECGRA for \$10,000 for her practice to help cover the cost of the loan that will pay the hearing aid manufacturer. She stated it would be a one time request and would help not only now but in the years to come. During the last six months she has been working with companies and organizations that have recently come on board to help the cause. They will be helping her in the future. She can't imagine a better use of uncommitted funds than to help give people a better quality of life through affordable hearing.

Beverly Davis Meacco – Community Resources for Independence: Ms. Davis Meacco spoke in support of the allocation of uncommitted funds for the Lending an Ear Program. She has worked closely with Ms. Schiefelbein and Affordable Care Hearing and asked that any help that ECGRA could give would be greatly appreciated.

Kevin Smith – VIE Associates: Mr. Smith spoke in support of allocating uncommitted funds for his company which is involved in succession planning for small businesses. Mr. Smith stated that they are a strategic planning and organizational company in Erie. He read verbatim from an undated written statement which is attached as Exhibit "B" and incorporated herein by reference.

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Dwight Miller – WQLN Public Media President and General Manager: Mr. Miller spoke on behalf of the Board of Directors. He presented an undated letter to ECGRA from WQLN Media Board of Directors endorsing the recommendation of the Erie Regional Chamber Growth Partnership, Erie Community Foundation, and VisitErie and their recommendations for uncommitted funds sent to ECGRA in a letter dated August 3, 2009. Although the Board of Directors letter was not read from verbatim, it is attached as Exhibit “C” and incorporated herein by reference. Mr. Miller highlighted some points in the letter presented to ECGRA. He stated that WQLN is a regional and community asset that truly contributes to the county’s economic development. WQLN television and radio provide educational and non-commercial programs that educate and enrich the public. WQLN Educational Services Department provides educational training for thousands of people in the community every year, including the professional development programs for teachers. They are the largest provider in northwest Pennsylvania for needs-based services through childcare providers funded through the Keystone Stars Program. He went on to discuss the other programs that help families in the areas of financial literacy, nutritional literacy, and services thousands of children and families throughout the schools. WQLN also played a role in the Erie Free Taxes Program which returned 2.5 million dollars to the Erie community in earned income tax credit this last year. He stated that WQLN does provide economic development by returning 52% of its budget last year to the community through over one million dollars in payroll, payroll taxes, and \$481,000.00 spent with local businesses in Erie.

Upon completion of his statement, Charles Peters asked for explanation on the tax credit Mr. Miller referenced. Mr. Miller stated the Erie Free Taxes Program is a program of five organizations locally that do tax return preparation for people who qualify for earned income tax credits and where they can come to get their taxes done for free. Two years ago, the Erie Free Taxes Program brought one million dollars back into the Erie community in earned income tax credits and this past year it was 2.5 million dollars.

John Vanco, Director, Erie Art Museum: Mr. Vanco stated he was also here to speak on behalf of the proposal for uncommitted funds put forward by the Erie Regional Chamber Growth and Partnership, Erie Community Foundation and VisitErie. He thanked the Authority members for their volunteer services as ECGRA members. He stated that all of the organizations that have been funded through the regional assets also depend heavily on volunteerism. He stated that the Erie Art Museum, the Erie Playhouse, the Erie Historical Society, etc., could not function without volunteerism. He wanted to speak to the issue of the regional impact of the arts. Although they are in the city of Erie, none of them think of themselves as serving just the city of Erie. He stated the majority of their audience comes from outside the city of Erie and the majority of their memberships are from outside of the city of Erie and within Erie County. The city, unfortunately, does not get taxes from them, but the whole county benefits from the programs that we and the other regional assets present.

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Donald Bement, Greenfield Township Supervisor: Mr. Bement thanked ECGRA on behalf of Greenfield Township for considering the liquid fuels formula as a means to distribution uncommitted funds to help all of the municipalities in the area. He stated he felt it is a very fair way of distributing the funds and thanked ECGRA for their consideration.

Cindy Miller, Secretary/Treasurer, Amity Township: Ms. Miller spoke in support of allocating uncommitted funds evenly among 38 municipalities for property tax relief. Ms. Miller thanked ECGRA for its hard work in coming up with a way to consider distributing these funds. She stated that when Governor Rendell was pushing for slots, he stated the monies would go to property tax relief and so far, they have seen little of that in the area. Their tax base is rural with no industrial and few commercial businesses. They have a large percentage of senior citizens and retired people, along with younger people still working who have a bleak future and may be unemployed soon. They were told to raise taxes. The county seems to do that each year and raising taxes on someone that can't pay now will not enable them to pay higher taxes. They don't want their residents to lose their homes. They get by the best they can with maintaining their roads, which are mainly dirt. Their taxpayers would like to have paved or tar and chipped roads, but the cost is prohibitive to do that. They can't even apply for certain grants because they don't have the matching funds to do so. There are 22 townships, 14 boroughs, and two cities in Erie County. They are proposing that the monies be distributed evenly among these 38 municipalities. Although the liquid fuels formula has been suggested, the lesser municipalities in population always get the short end of the stick. She stated that they understand that the zoo, the Art Museum and other arts programs want money, too; however, these entities should be selling tickets and getting private donations to exist, not taking taxpayer money. She stated she would prefer her tax dollars be used for something other than entertainment. She asked that ECGRA consider this proposal and give the county taxpayers true property tax relief as Governor Rendell wanted.

Bill Felege, Girard Township: Mr. Felege spoke in support of allocating uncommitted funds along the lines recommended by Janice Dennis, Supervisor, McKean Township and the ECATO proposal. Mr. Felege followed up on what ECATO brought up today. He stated that when the flood occurred on June 30, 2009, they had to dole out approximately \$150,000.00 directly off the bottom line to pay for that emergency. He stated that the small municipalities don't have the money to do emergency management control or maintain their roads. He asked that they consider looking at the small municipalities in Erie County who could use the financial support.

Sandra Anderson, Girard Township: Ms. Anderson spoke in support of allocating uncommitted funds along the lines recommended by Janice Dennis, Supervisor, McKean Township, and the ECATO proposal. She asked how many people traveling either on vacation or for work appreciate a paved, smooth road to travel on and would they notice a road that is not smooth and not able to be taken care of properly. This is just one thing of

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importance to all residents of Erie County. Traveling on the roads is a big issue and many of the townships do not have paved roads and many are just tar and chip or dirt roads. Paving is a PennDOT standard, it is not everyone's standard that they are able to afford. She stated she is also here in favor of disbursing the funds to the municipalities in Erie County.

David Saltis, Elk Creek Township: Mr. Saltis stated he was also in attendance in support of ECATO's position on the distribution of uncommitted funds.

David Henderson, Franklin Township: Mr. Henderson thanked ECGRA for their time on their volunteer effort. He stated that, as one of the small townships that has 600 residents and 26 miles of gravel roads, he also supported the ECATO position concerning uncommitted funds. They will never be able to pave their roads. He stated that at \$500,000 per mile, it would take 13 million dollars to do that. He stated that these funds need to be distributed to the municipalities as they are the most efficient level of government and can make the most use of those dollars and asked ECGRA to consider the use of the Liquid Fuels Formula to distribute the funds and it would fairly distribute these monies.

Jerry Hanas, Waterford Township: Mr. Hanas stated that they are also in agreement with ECATO's position on the use of uncommitted funds. He stated that the southern part of the county is tired of just being a revenue source and would like to see some of that money back.

Mary Jo Campbell, Washington Township: Ms. Campbell stated she is a supervisor in Washington Township and is in support of ECATO's position on the distribution of Uncommitted Funds.

Tim Hunter, President of McInnes Rolled Rings: Mr. Hunter stated that he was here on behalf of the Regional Chamber and Growth Partnership. He stated he was very pleased to see the consideration of the expenditure of the uncommitted funds and to see a committee appointed to consider these things. He stated that on the list is possible funding of regional assets and transformational projects, both of which they strongly support. Since the meeting, they delivered their original framework for the expenditure of all the gaming funds which were submitted to County Council about two years ago. He stated that they are there for any type of help that the Authority may need down the road.

Greg Allen, Albion Borough: Mr. Allen stated that they are in need of funding from uncommitted funds for water and sewer supplied under state mandates for upgrades.

Greg Myers, Rise Up Zone: Mr. Myers spoke in support of allocating uncommitted funds for Rise Up Zone. Mr. Myers stated he is the founder and coordinator for Rise Up Zone modeled after the Harlem Children Zone in New York City. He spoke on how it will help with economic growth and development in the hopes of eradicating poverty by

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opening a clinic and having social services available in the impoverished areas of the city.

Melanie Kuebel-Stanky, Erie County Historical Society: Ms. Kuebel-Stanky stated that the Historical Society is the keeper of history for Erie County. She asked that ECGRA consider distributing some of the uncommitted funds to the arts community and other regional assets in Erie.

Approval of Minutes:

Upon motion by David Sample, seconded by Mike Paris and voted upon favorably by unanimous vote of ECGRA voting members present, the minutes from meetings held on October 8, 2009, and November 4, 2009, were approved.

Committee Reports:

Budget & Finance: On behalf of the Budget and Finance Committee, Stephanie B. Freeman, Treasurer, reported that on November 5, 2009, she, Charles Peters, and Art Smaltz met with County Council to discuss the proposed budget and advised that they are still working on a budget.

Personnel Committee: On behalf of the Personnel Committee, Stephanie Freeman reported she was happy to report that R.F.P.'s to executive search firms to perform a search for program manager were due yesterday. The Personnel Committee received three (3), and will meet to review these proposals. Charles Peters added that the committee initially checked the Erie Chamber site, and then made telephone calls to search firms. The committee then narrowed their list down to twelve (12) firms who received R.F.P.'s. Charles Peters advised that they will have something more to report at the next meeting.

Uncommitted Funds Committee: On behalf of the Uncommitted Funds Committee, Charles Peters stated that he, David Yapple, and Art Smaltz met a week ago this past Monday and spent the majority of time discussing broad categories to propose. He stated there could be three main categories, Community Assets, Economic Development, and Infrastructure, and possibly ten sub-categories under each of these main categories. He stated they will meet prior to the next meeting to discuss this further. They also discussed coming up with method(s) on how to distribute through loans, grants, or equity. Lastly, the committee discussed the actual application process, but felt this could be on the back burner for now.

Report of Gaming Revenue Manager:

Carolyn E. Gold, Esq., Gaming Revenue Manager, reported that there is no change in the Revenue Update for Municipal Grants of 2007 Funds Payment History, or the Municipal Grant Awards of 2008 Funds, since the report given on November 4, 2009.

Regarding the announcement of the 2009 Municipal Grant application period, Ms. Gold noted that there was coverage about this on WJET and WICU, as well in an article by

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Kevin Flowers of the Erie Times News, in the November 11, 2009, edition. Ms. Gold asked if ECGRA wanted any further publicity about this. She advised that letters had been mailed to municipalities, the County, past applicants and their counsel and believed that adequate publicizing had been done.

Regarding ECGRA's interest in having its group photo appear on the ECGRA webpage, Ms. Gold stated that she would continue to follow-up phone with Jack Hanrahan, the photographer for the Erie Times News who recently took the group photo.

Regarding recent inquiries from, and follow-up with potential applicants for 2009 municipal grants:

1. Ms. Gold advised that Thomas Talarico, Esq., solicitor for ECGRA, indicated that agencies and authorities created by the County may apply directly on their own for grants and are not required to apply as a co-applicant with the County. Ms. Gold advised she provided this update to Earl Brown, Erie County Conservation District, on Thursday, November 5, and Friday, November 6, 2009 who had recently inquired how to go about applying.

2. Ms. Gold reported she received an inquiry on November 9, 2009, from a non-profit corporation called the National Alliance for the Mentally Ill of PA (NAMI), which is service provider for the County, with whom the County has entered into a "Unit of Service Funded Agreement" asking if this applicant and similarly situated organizations have standing to apply for a municipal grant.

She advised that Thomas Talarico, Esq., indicated that the non-profit organization should apply with the County as a "co-applicant". This would be analogous to the "co-applicant" situation for non-profits and municipalities or non-profits and authorities. (In contrast with the Agency and Authority situation where applicant would apply on its own as the "County.")

Excerpts from County's Audited Financial Statements - Per the request of Thomas Talarico, Esq., Ms. Gold obtained from the Finance Department excerpts from the County's audited financial statements and Auditor's Report that pertain to the Gaming Fund. The statements are not split between Restricted and Unrestricted Funds. The statements are for year ending 12/31/07 (by Felix & Gloeckler, P.C.) and year ending 12/31/08 (by Zelenkofske Axelrod, LLC). Ms. Gold supplied this material to Mr. Talarico and to ECGRA treasurer, Stephanie Freeman. The Finance Department advised that ECGRA will need to obtain on its own any Financial Statements/Auditor Reports on uncommitted funds.

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Regarding the “delinquent letter” to Joseph F. Giles, Erie County Council, of August 13, 2009 from Mr. Reddig, Executive Director, Department of Community and Economic Development, concerning the filing of an annual report with that department, Ms. Gold reported that Michael Williams, Municipal Statistics, Dept. of Community and Economic Development advised her on November 4, 2009 that ECGRA is not required to file an annual report with the Commonwealth’s Department of Community and Economic Development because ECGRA was not formed pursuant to the Municipal Authorities Act of 1945 per his review of ECGRA’s incorporation paperwork. However, he advised this may be a new “hot topic” with casinos now operational in Pennsylvania and directed Ms. Gold to the Commonwealth’s Center for Private Financing to inquire about any requirement for the filing of an annual report with another department.

Ms. Gold provided to the Authority members an excerpt from the Authority’s By-Laws concerning the presentation of ECGRA’s Annual Report at the Authority’s annual meeting, and afterward, to the County Executive and County Council.

Regarding any audit by/on behalf of ECGRA of grantees of 2007 funds, it was recommended that this not occur until after the receipt of Interim and Final Reports from those grantees.

Regarding the audit requirement for grantees of 2009 funds who are awarded \$100,000.00 or more, as requested at the November 4, 2009, meeting, Ms. Gold followed up by requesting from Sue Ellen Pasquale, Erie County Finance Department, the list of criteria that the Finance Department used to review financials of applications for 2008 gaming funds. She also requested suggestions for a format for the audit.

Regarding the schedule of regular meetings for 2010, this is to be set by Resolution of the Authority, per its By-Laws. It was decided that regularly scheduled meetings would occur on the second Thursday of each month, from 11:30 a.m. until 1:00 p.m., to be held at the 5th Floor Press Conference Room at the Erie County Court House. If the meeting location changes, this will be advertised at a later time. Ms. Gold will prepare a Resolution with the schedule of regular meetings for 2010 for the Authority to consider at the next ECGRA meeting.

Ms. Gold inquired about the timetable for ECGRA’s hiring of a program manager and whether ECGRA expected to hire a manager by January 1, 2010. Stephanie Freeman advised the timing of this was uncertain and would depend on ECGRA’s review of the R.F.P.’s received.

Old Business:

None.

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New Business:

Regarding the first order of new business, item 8.a. under the Agenda, Audit: Thomas Talarico, Esq., solicitor for ECGRA, suggested that ECGRA consider retaining a firm to conduct an audit for 2009. He advised that ECGRA should probably follow the same requirements as the Erie County Industrial Development Authority. Carolyn Gold was asked to contact Jay Alberstadt, counsel for the Erie County Industrial Development Authority for any audit reports, as well as to inquire about what is required in an audit at the state or federal level.

Regarding the second order of new business, item 8.b. under the Agenda, Executive Session – Appeals and Litigation: At 12:35 p.m., Chairperson Jennifer Dobbs Woods called for an Executive Session to discuss the appeals and litigation. Kevin Flowers, reporter from the Erie Times News, objected to the holding of an executive session.

An Executive Session was held; it ended at 1:00 p.m. upon motion of Stephanie Freeman, seconded by Mike Paris, and voted upon unanimously by ECGRA voting members present; and the meeting was adjourned.

Time Meeting Adjourned: 1:00 p.m.

Next Meeting: December 10, 2009

Minutes submitted by: Carolyn E. Gold, Esq.

NOTE: These minutes were approved at the December 10, 2009, meeting of the Erie County Gaming Revenue Authority. s/Carolyn E. Gold, Esquire; December 11, 2009.

Attachments:

Exhibit “A” – November 12, 2009 letter from Frank Stephano, President, Erie County Boroughs Association;

Exhibit “B” – Undated statement of Kevin Smith, Vie Associates, Erie, PA;

Exhibit “C” – Undated letter of WQLN Public Media Board of Directors and

Exhibit “D” – Undated statement of Tina M. Schiefelbein, BS-HIS, Affordable Care Hearing Aid.



ERIE COUNTY ASSOCIATION OF TOWNSHIP OFFICIALS

AMITY

November 12, 2009

CONCORD

CONNEAUT

ELK CREEK

Erie County Gaming Revenue Authority

FAIRVIEW

Erie County Court House

140 West Sixth Street, Room 503

FRANKLIN

Erie, PA 16501-1081

GIRARD

Re: Uncommitted Gaming Revenues

GREENE

To Whom It May Concern:

GREENFIELD

The Erie County Association of Township Officials organization consists of twenty-two (22) municipalities serving a population of over 142,000. Infrastructure improvements are a constant concern of every public official ranging from road construction and reconstruction, maintenance and replacement of bridges, sewer treatment plant rehabilitation as well as water and sewer line maintenance. The majority of municipalities in Erie County rely on earned income tax and property tax revenues to accomplish these never ending challenges.

HARBORCREEK

LAWRENCE PARK

LEBOEUF

MCKEAN

Due to the past two years of the Gaming Revenue Authority's decision to only fund a few projects with Restricted funds, there remains a large amount of "Uncommitted" monies available for dispersement by the Authority. We are therefore requesting the Authority seriously consider the "Uncommitted" funds be made available to all townships and boroughs through the municipal funding distribution concept as presented at a previous meeting by Mr. Jake Welsh, Director of Planning of the Erie County Department of Planning.

MILLCREEK

NORTH EAST

SPRINGFIELD

SUMMIT

There are municipalities in rural Erie County that still utilize dirt roads in their transportation system with no hope of ever having decent roads to travel to and from work and recreation. Most of those townships do not have commercial or industrial development to increase their tax base for much needed improvements. Increasing taxes would still not be enough to maintain their existing infrastructure let alone reconstruct existing roads and bridges.

UNION

VENANGO

WASHINGTON

WATERFORD

WAYNE

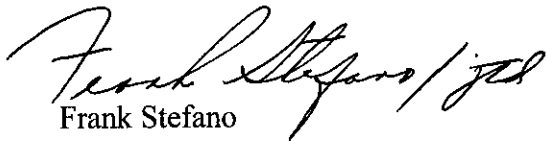
Exhibit "A"
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Our organization strongly urges your support in utilizing the "Uncommitted" funds to be distributed to all municipalities to provide safe, sustainable, economically competitive communities in Erie County. We remain,

Very truly yours,

ERIE COUNTY ASSOCIATION OF TOWNSHIP OFFICIALS


Frank Stefano
President

cc: Erie County Boroughs Association



Kevin Smith, Vie Associates, Erie PA

Presentation for Obtaining Uncommitted Gaming Funds

As your committee embarks on the difficult decision on allocating uncommitted funds; I truly hope the decision – whatever it may be – is viewed as an investment. Although there may be organizations that can utilize funds now, nothings build a community more effectively than the investment in small business. Maintaining a dynamic small business base is what will ultimately build better townships, charities, performing arts while also attracting other businesses to the area. Without small business growth, any distributed funds will eventually dissipate with nothing long-term to show for it – for they are the most important revenue stream.

I am looking for an opportunity to obtain gaming funds as an investment to assist my company in managing through this recession while at the same time addressing what is certain to be the next crisis on the horizon... business succession.

- According to a Kennesaw State University Research, over 40% of family-owned business owners plan on retiring within the next seven to ten years. Of these, less than 1/3 of the owners that plan to retire between 6 and 10 years from now have named a successor.
- Nearly 50% of the entire workforce of the US government is currently eligible to retire.
- And a very large percentage of school teachers and college professors are over the age of 50.

The day is right around the corner where there will not be enough people trained to meet the future challenges in all industries competing in this global market.

Vie Associates has started a push on succession planning for small business – helping them prepare their people for the inevitable exodus of leadership and experience. This is, however, a challenge for small to medium sized business owners as they have little time or funds to implement a viable succession management system themselves.

In order to address this issue, we have begun plans to develop a multi-media, online learning and leadership development center that would serve the following functions:

- Provide a valuable resource for organizations looking to ensure they have a leadership pipeline that can handle turbulent times.
- Reduce cost of Succession Management implementation by reducing the amount of travel and direct consulting time.
- Provide an ongoing and reusable source for companies as they execute their succession management systems.
- Reduce the loss of taxpayer dollars as a result of businesses that have no viable plan to continue after the current leadership exits.
- Increase tax revenue by hiring local firms to develop the product.

Exhibit "B"
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This is not a matter of simply educating people. It is a matter of changing the leadership mindset from one of industry to one of the knowledge worker. Peter Drucker said it the best when he said *"The place of the blue collar worker is being taken by a "technologist", that is by people who work both with their hands AND theoretical knowledge... They require a different type of mind-set. Above all, they require a habit of continual learning."*

This is an issue that the government cannot solve. It will be up to small private firms such as ours to reach out to small businesses to help solve these issues. Government funded support organizations do not have the resources to deal with these long term projects, and small businesses typically cannot afford to pay what the larger firms charge for implementation of such systems.

In addition I would like to add that some of the other organizations requesting funding may or have other resources to obtain capital. Firms such as ours, during these times especially, really have no other place to turn if they really want to make a difference of this magnitude.

2. Urgency

While they are performing and growing well, family businesses face some significant challenges. Perhaps first among these is the issue of succession. Within 10 years, 40.3 percent of business owners expect to retire, creating a significant transition. Of those, fewer than half (45.6 percent) of those expecting to retire in five years and fewer than a third (29 percent) of those expecting to retire between six and 11 years have selected a successor, meaning there is much work to do and potential sources of instability for our economy. Of those who have selected a successor, the successor's median age is about 18 years younger than the current chief executive. CO-CEOs, as in previous years, are being considered at a similar rate (42.2 percent).

Many have less certainty about retirement, which is also a tremendous risk. Almost a third (30.5%) have no plans to retire, ever, and nearly another third (29.2%) report that retirement is more than 11 years away. Since the median age of the current leaders is 51, this means that many people plan to die in office, which is not beneficial to the family, the firm, its employees and its clients.

Further exacerbating the substantial succession risk is the fact that nearly a third (31.4 percent) have no estate plan beyond a will. This is worse than the 2002 survey, in which only 19 percent had no estate plan beyond a will. Likewise, in 2002, 68 percent had a good understanding of estate taxes that could be due, whereas in 2007 this number deteriorated to only 53.5 percent having a good understanding. This lack of financial preparedness jeopardizes the ability of the next generation to maintain the business, particularly because paying estate taxes can have a damaging effect on business prospects.

Other urgent issues identified by respondents as being their most important challenges include, in order:

- Labor costs
- Health care costs
- Finding qualified employees
- Foreign competition
- Labor union demands
- Domestic competition
- Oil prices
- Availability of credit from lenders
- Estate taxes

These challenges paint a picture of an economy that is doing well, businesses that want to continue to expand, and businesses that favor a conservative approach and a tight lid on costs.

3. Gender

In a major advance from 2002, 24 percent of the businesses surveyed have a female CEO or President. In 2002 that number was only 10 percent (which was already double 1997 numbers). As a result, within the past decade there has been an almost five-fold increase in the number of women leaders in family businesses since 1997. This far outstrips the numbers in the world of non-family businesses where, for example, some 2.5 percent of Fortune 1,000 firms are led by women (*Fortune Magazine*, April 30, 2007.) The trend of female leadership of family businesses should continue as 31.3 percent of firms indicate they may have a female successor. And the prevalence of women in leadership positions carries through the organization even when moving down the org chart. Nearly 60 percent (57.2 percent) of all firms have women in top management team positions. On average, the family businesses in our sample each employ nearly five family members, of which 60 percent are men and fully 40 percent are women.

4. Ethical behavior and social responsibility

If family businesses are family and relationship oriented, then it stands to reason that they operate more ethically. Indeed, previous research shows they are less likely to lay off employees regardless of financial performance (Stavrou, Kassinis, & Filotheou, 2007). Our survey clearly shows family exerts a strong impact on the business; 83 percent state their families have a high influence on the business and 91 percent indicate that the owning family's values are emphasized in the business. Family orientation does indeed seem to translate into more ethical behavior. For example, 57 percent of the respondents answered that being a family business affected their firms' ethical behavior. While over one third (36.6 percent) of firms have a written code of ethical behavior, this does not mean that family businesses without written codes act irresponsibly or unethically, just that they have not made the investment in the kind of written code that is more common in larger firms. On the contrary, most of these family businesses (60 percent of respondents) believe that their ethical standards are more stringent than those of competing firms. The respondents also report ethical standards are discussed often or always at meetings with lower- and mid-level employees (54 percent), in discussions with customers (48 percent), in meetings with executives (45 percent) and suppliers (38 percent), and during board meetings (36.5 percent).

Many have less certainty about retirement, which is a tremendous risk.



SPRINGFIELD, Mass., Sept. 29 /PRNewswire/

Joe and Cindy Riggs, owners of Bowling Green Golf Club in Oak Ridge, New Jersey, undertook extensive succession planning to ensure that their business - built on land that has been in the Riggs' family for more than 200 years - would transfer to the next Generation of owners without interruption. Their comprehensive estate plan, founded on whole life insurance, will help enable the business to pass to their children unencumbered by federal estate taxes.

"Our son, Will, is almost 28 and works at the golf course; in fact he will now be the new Riggs proprietor there," Cindy Riggs explained. "As we look back at the different decisions we've made with our finances over the years, we really think that this has been one of the best," Joe Riggs added.

Not all business owners are as forward-looking as the Riggs family, however.

According to the 2007 American Family Business Survey, sponsored in part by Massachusetts Mutual Life Insurance Company (MassMutual), most business owners fail to make sure someone is ready to take over their business when they retire, or if they die. The survey revealed that among family business owners who expect to retire in five years; fewer than half have selected a successor. Of those expecting to retire in six to 11 years, less than a third have done so*. This puts the business, the family and future plans at risk, especially during tough economic times when credit from banks is tight.

"Our study demonstrates that the problem is significant and growing," said Beth Wood, assistant vice president, Business and Women's Markets, a division of the U.S. Insurance Group at MassMutual. "Equally troubling is the lack of preparation of personal estate plans to make sure that control and value of the business is maintained," Wood continued. "Our survey showed that nearly a third of participating business owners had no estate plan beyond a will*. Without this plan, business transitions can be even more complicated and, in some cases, successors may be forced to sell the business, often under less than advantageous circumstances like poor market conditions."

In more than 30 years in financial services, much of it spent working with businesses, Paul DeCoursey with West Point Financial, LLC, a general agency of MassMutual, agrees that owners often make the critical mistake of overlooking succession and estate planning.

"I have found that the primary, over-arching mistake is a failure to effectively plan for the succession of their businesses, whether that means failing to have a succession plan at all or failing to regularly review a succession plan that was put into place at the infancy of a business," said DeCoursey. Like Wood, he also points to a lack of estate planning as one error that puts business succession at risk.

"The largest aspect of a business owner's estate is usually the business, DeCoursey explained. "Our hope is to get business owners to establish an estate plan and to fully understand important liquidity issues and the tax implications that their heirs will face."



With proper planning and the help of knowledgeable professionals, business owners can help secure both the future of their businesses, their families, and their own retirements.

In the 10 Avoidable Missteps That Could Trip Up Your Business Succession, MassMutual provides first-hand experience with and insights into estate planning, dealing with disability or divorce, tax information, working with a lawyer to prepare a will, coordination of advisors, supplemental funding to maintain the desired lifestyle in retirement, waiting too long to find a buyer for the business, and more. To download a copy of the guide, visit massmutual.com/smallbusiness.

*2007 American Family Business Survey by Massachusetts Mutual Life Insurance Company (MassMutual), the Family Firm Institute, and the Cox Family Enterprise Center at the Kennesaw State University Coles College of Business.

About MassMutual

Founded in 1851, MassMutual is a leading mutual life insurance company that is run for the benefit of its members and participating policyholders. The company has a long history of financial strength and strong performance, and although dividends are not guaranteed, MassMutual has paid dividends to eligible participating policyholders every year since the 1860s. With whole life insurance as its foundation, MassMutual provides products to help meet the financial needs of clients, such as life insurance, disability income insurance, long term care insurance, retirement/401(k) plan services, and annuities. In addition, the company's strong and growing network of financial professionals helps clients make good financial decisions for the long-term.

MassMutual Financial Group is a marketing name for Massachusetts Mutual Life Insurance Company (MassMutual) and its affiliated companies and sales representatives. MassMutual is headquartered in Springfield, Massachusetts and its major affiliates include: Babson Capital Management LLC; Baring Asset Management Limited; Cornerstone Real Estate Advisers LLC; The First Mercantile Trust Company; MassMutual International LLC; MML Investors Services, Inc., member FINRA and SIPC; OppenheimerFunds, Inc.; and The MassMutual Trust Company, FSB.

For more information, visit massmutual.com.

SOURCE MassMutual Financial Group



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For more information, visit massmutual.com.

SOURCE MassMutual Financial Group

Erie County Gaming Revenue Authority
Erie County Court House
140 West Sixth Street, Room 503
Erie Pa 16501-1081

Honorable ECGRA Members:

The Board of Directors of WQLN, Public Broadcasting of Northwest Pennsylvania Inc., would like to commend you for your efforts of distributing the restricted gaming revenue. We would further like to commend you on the manner in which you have chosen to move forward to *Phase II* of your task to distribute the uncommitted restricted funds.

As this phase of the gaming revenues granting process unfolds WQLN Public Media would like to go on record as wholeheartedly endorsing the recommendation of the Erie Regional Chamber and Growth Partnership, the Erie Community Foundation, and Visit Erie. These recommendations were sent to this board in a letter on August 3, 2009. We agree that \$1 million of the total \$1,431,737.68 - 2007 uncommitted funds should be used to help stabilize, preserve and grow regional assets (arts and cultural organizations) throughout Erie County. And we believe that this money should be distributed through a clearly defined and fair allocation process.

We would also like to suggest to the ECGRA members that WQLN Public Media is a regional and cultural asset that contributes to Erie County's economic development. WQLN TV and WQLN Radio have provided on-air programming that is both educational and personally enriching, for more than 40 years. In the past 10 years WQLN Education has provided educational services to tens of thousands of Erie County residences.

WQLN Education played a significant role in the "Erie Free Taxes" program. This program returned \$2.5 million Federal dollars to Erie County through the preparation of more than 1,700 tax returns. WQLN Education's "Families Financial Literacy" program, and our "Money Works for You" program helped local families learn to manage a personal budget, save for major purchases, and reduce debt.

WQLN Education provides professional development for teachers and is Northwestern Pennsylvania's largest provider of Needs Based Services for childcare providers. Last year, 434 educators received face-to-face professional development instruction from WQLN, with an additional 55 teachers and childcare providers training on-line.

WQLN's "Families Turn on to Literacy" is a program that encourages children to read out loud to their family. To date 2,539 Erie County children, 1,241 parents, and 52 schools have gone through the program, which is why it's become the only Erie County literacy program to be honored by the President of the United States at a White House ceremony.

Exhibit "C"
ECGRA Minutes of
November 12, 2009



WQLN Public Media is a good community partner. We will return 52% of our 2009 fiscal budget (\$3,644,437) to Erie County – through payroll (\$1,344,499), county taxes (\$39,757), and money spent with local companies (\$481,329). We look forward to submitting a request for funding consideration when you have determined the application process.

Sincerely,

WQLN Public Media Board of Directors

- C. Bruce Kern II, C.A. Curtze Company
- Dr. Thomas J. Gamble, Mercyhurst College
- Martin Haft, CPA
- Dr. Charles J. Hora, Jr.
- Jennifer Gornall Esq., Knox, McLaughlin, Gornall & Sennett, P.C.
- John F. Kearns, FCII, Erie Insurance
- Dr. John Linden, Perseus House Charter School
- Marnie Mead Oberle, Erie Times News
- Emil M. Spadafore, Jr. Esq.

Member Station





IS REQUESTING \$10,000.00

THANK YOU FOR YOUR CONSIDERATION

Helping patients get the hearing care they need is sometimes a very difficult task. Over the last 13 years I have seen patients turned away from getting help, they *deserve* and *need*. The main reason is that they just could not afford it. This is why I am proud to be co-founder of the "Lending An Ear" Program. Teaming up with a great support group: **Community Resources for Independence** a non-profit organization. Having the same mission; to help people gain a better quality of life. This includes free services for those who qualify.

"*Lending An Ear*" program is designed to assist individuals who need help with hearing health care, but can not afford it. Now, There will be help for those who are missing out on life; to **hear** and **understand** and gain a higher quality of living. The program does not stop at hearing care, it can also put you in touch with other services you may qualify for. Some of these services include: Lending Library's Hearing Impaired phone, PATF grants, no interest affordable payments and many more.

Please, if you know someone or you're that someone who may need help with their hearing. Please don't hesitate to call my office; for a **free** no obligation hearing and service evaluation. My number is 825-1327 and I am looking forward in hearing from you. I will be more than happy to answer any questions you may have. Remember! Ask questions, get answers and be empowered! You deserve the very best quality of life!

Sincerely,
Tina M. Schiefelbein, BS-HIS
Hearing Instrument Specialist

We're here to give you a helping hand.

Exhibit "D"
ECGRA Minutes of
November 12, 2009



3823 WEST 12TH STREET
LITTLE FALLS, NJ 07643
908.833.1227

Our income guidelines are as follows:

| | |
|---------------------------------------|----------|
| \$6000.00 (or less) to \$8500.00..... | \$660.00 |
| \$8501.00 to \$12,000.00..... | 770.00 |
| \$12,001.00 to \$15,000.00..... | 880.00 |

These prices are per instrument.

I would like the opportunity to explain this program to your facility.

If you have any questions, please do not hesitate to call.

Thank you,
Tina M. Schiefelbein, BS, HIS
Affordable Care Hearing Aid

Thank you for listening

Silence is Lonely

**"When at first our hearing begins
to fade:**

**Though the signs are foretelling,
we may choose to evade.**

**We tell others they don't speak clearly,
they mumble a lot;**

**My concentration is elsewhere,
that's why I ask what.**

**Please talk a bit louder;
your voice is so weak;**

**I could hear you OK,
if you'd look at me as you speak.**

**I can hear you just fine,
when you're close at hand;
If you would learn to enunciate,
I could understand.**

Being with family is one of life's greatest joys;

**But, don't expect me to hear,
with all of that noise.**

**It's easy to blame others,
though it's not really fair;**

**It's your hearing problem, solve it,
show others you care.**

**He who said "silence is golden"
spoke for himself only;**

**For the hearing impaired,
"silence is lonely".**

- Roy Bain, 1996

Your generosity will help those who are "lonely" obtain a better quality of life with:

"The Gift of Hearing".

On behalf of Lending An Ear Program and all of the individuals we help:

Thank you!

Tina M. Schiefelbein, BS-HIS