

ERIE COUNTY GAMING REVENUE AUTHORITY

Thursday, May 7, 2009 – Minutes

Call to order:

The Erie County Gaming Revenue Authority meeting was held on May 7, 2009, in the Erie County Council Caucus Room. The meeting was called to order at 11:30 a.m. Members of the authority present were Pat Bruno, Stephanie Freeman, Art Smaltz, and Jennifer Dobbs-Woods. Absent were Mike Paris and Dave Sample. Also present were Tom Talarico, Carolyn Gold, Joe Giles, Ronald Cleaver, Bob Spaulding, and Jake Welsh.

Hearing of the Public:

Kenneth Przepierski – Had a question regarding the tabling of minutes. He had some confusion as to what ECGRA was and was concerned regarding the unrestricted funds. Joe Giles explained the difference between the Restricted Funds and Unrestricted Funds and that the Erie County Gaming Revenue Authority is responsible for Restricted Funds with respect to Municipal Grants and that the Regional Asset Funding Committee is responsible for Unrestricted Funds with respect to grants for the arts.

Tim Hunter – President of McInnes Rolled Rings – attended on behalf of the Chamber and the Growth Partnership. He stated that with uncommitted funds coming up with this Authority going forward that he would hope they stay focused on the infrastructure and economic development and transfer projects in the community. Over the long term, there would be many positives with growing revenue base.

Approval of Minutes:

Motion to remove the tabling of minutes for January 13, 2009, March 19, 2009, and April 16, 2009, was requested; however, the minutes were not yet transcribed but will be with the hiring of the new administrative assistant. Those minutes remained tabled. The minutes from April 23, 2009 were tabled.

Committee Report: (Budget & Finance)

Stephanie Freeman spoke regarding revenue and expenses. Regarding Uncommitted Funds, the amount was \$1,404,615.00; a budget will need to be decided on at a later time. Currently, the funds are on deposit at Citizens Bank at ½ percent and a call was made to First National Bank, who could offer 1.05%. Citizens Bank offered a CD for one year at 1.5%. Erie Bank has a savings account offer with 2%. There was a motion to move the Uncommitted Funds to Erie Bank made by Art Smaltz and this was seconded by Pat Bruno. All were in favor.

Tom Talarico, Esq. brought up the topic of check writing on the account and currently, Stephanie clarified that there were three signators on the account at this time. It was suggested that there be two signatories on the check and this was agreed. Bob Spaulding brought up the issue of where the check book should reside, possibly the Gaming Revenue Department under lock and key, and asked where it should be. Stephanie recommended that it be kept in the Finance Department.

Tom Talarico requested information regarding billings from the law firm of McDonald Illig, which submitted invoices to the County in 2007 and 2008, and Stephanie stated she would get that information sent to everyone. Bob Spaulding advised that County Council approved \$100,000.00 for legal fees the first time around. Thereafter, the invoices were paid as they came in. Tom Talarico stated that he thought that the initial retainer was \$100,000.00 approved by Council; there was an invoice and that Council appropriated the amount of the bill, approximately \$100,000.00, and thought that they showed expenses for approximately \$75,000.00, but asked that Council appropriate \$100,000.00. Tom stated he was unsure what happened there. Bob Spaulding stated he was pretty confident that Council has never seen individual invoices come in.

Report of Gaming Revenue Manager:

Introduction of the Administrative Assistant to the Gaming Revenue Manager, Deneé Hedges.

Regarding 2008 Restricted Funds, the 2009 application for funds was made available online on April 30, 2009, and the application period is May 1, 2009, to June 1, 2009. Notice to the public regarding the availability of the application was given by way of letter along with attached application mailed to all municipalities and the solicitors, phone calls to all the municipalities on April 30, 2009, and by way of posting the application on the new ECGRA website on April 30, 2009. We have not received any complaints regarding kinks or problems downloading the application. Lastly, Alyson Amendola, Director of Communications, notified the

print and electronic media of the availability of the applications and took it from there.

Regarding 2009 funds, a funding update was given. A check was just received from the Commonwealth on May 4, 2009, for the first quarterly payment of Restricted Funds totaling \$815,015.74, half of which is allocated for restricted funds and the other half for unrestricted funds. Lump sum payments were made for the three projects that were approved for payment – Millcreek Township Police Officer, Summit Perry Highway Ladder Truck Funding Project and the Summit Pump Station Improvement Project. Partial payments have been made to the other two projects, which were reimbursement payments. The last was made the other day to Summit Township for their Route 97 Interceptor Upgrade Project. There was an issue with regard to how checks were made payable and that check will be returned to us and reissued to Summit Township Sewer Authority.

Regarding Uncommitted Funds, as of March 31, 2009, the balance was \$1,431,737.68. This was the number received from Sue Ellen in Accounting. May 1, 2009, was the application deadline for Unrestricted Funds – Dedicated Assets, and there were nine applications received. On Saturday, May 9, 2009, the deliberation session will be held in the Public Safety building, on the 30 applications for Special Events and 25 Community Assets applications.

On May 6, 2009, arguments were heard before the Commonwealth Court regarding Erie County and ECGRA's appeal from Judge Dunlavy. Our attorney, Roger Taft, was there and fielded a number of questions. The argument was videotaped for broadcast and will be broadcast on the Pennsylvania Public Channel sometime in the future. Roger did note that he did not expect a decision or any outcome for at least three months. It was noted that there should be no legal expenses arising from that matter, other than Roger's review of the decision and any written communications to the County on whether he would recommend an appeal from that decision, depending on the outcome.

Old Business:

Dates of availability for presentations from the 2008 Municipal Grant applications at the Blasco Library were discussed. Not knowing how many applications will be submitted, it was recommended that two sessions be held sometime in late June, depending on board member availability. The dates chosen were Thursday, June 25, 2009, and Tuesday, June 30, 2009, from 5:00 p.m. to 8:00 p.m. Once we know how many applications there are, a decision will be made on the time limit for each presentation.

Jake Welsh, Director of Planning, spoke regarding the Economic Development Application and the criteria for deliberations on the use of Uncommitted Funds. In his research, he found that the criteria used by the D.C.D. to distribute some of the revenues include the Keystone Principles. They do not use any type of scoring methodology. He felt there was a good foundation with the Keystone Principles to evaluate applications that come in. It supports projects that the community believes are important one, including infrastructure projects. Tom Talarico stated that these could be integrated into the economic development finance law which is to help blighted areas and impoverished areas. Jake Welsh will forward their general application from the Planning Department and the Act 137 Program for review. Tom Talarico stated he would draft a proposed application for review as well.

There was discussion about using the Uncommitted Funds for loans to finance certain projects. It was felt that the Authority had enough on its plate at this time and that developing and monitoring a loan program would be an extremely complex matter and it may be something we could into maybe the first or second year. It is important to get an Uncommitted Funds process established first.

Ronald Cleaver spoke regarding Kathleen DeSante's replacement and stated that he has been looking and hopes within the next five days to have an appointment.

New Business:

The advertising schedule for 2009 regular meetings was discussed. It was decided that regular meetings would be held the second Thursday of every month from 11:30 a.m. to 1:00 p.m. The meetings will now be held on the 5th floor in the Press Conference Room. The next meeting will be held on June 11, 2009, at 11:30 a.m.

Meeting adjourned at 12:45 p.m.

NOTE: These minutes were approved at the July 9, 2009, meeting of the Erie County Gaming Revenue Authority. s/Carolyn E. Gold, Esquire; October 16, 2009.