

Erie County Gaming Revenue Authority Meeting

Board Meeting Minutes: July 24, 2008
12.00 p.m. at Erie County Council Caucus Room

Board Members (hereinafter referred to as “the Authority”):

Present: County Executive Mark A. DiVecchio, Joe Giles, Kathy DeSante, Stephanie Freeman, Jennifer Dobbs Woods, David Sample and Pat Bruno.

Absent: Jake Welsh, Jim Mikovch, Joseph Kujawa.

Quorum present? Yes

Others Present:

Also present were Phil Fatica, County Councilman, Robert Spaulding, Director of Economic Development, Rena Moakeh, Administrative Officer of Gaming Revenue and Wally Knox, County Solicitor.

Proceedings:

The meeting was called to order by Chairman Giles at 12:05 p.m.

Previous minutes: Mrs. Moakeh informed the Authority that the minutes from the last meeting (June 20, 2008) were not ready for distribution.

The first order of new business, Marketing Strategy: Mr. Giles refreshed everyone’s memory in stating the last discussion they had was an idea for Authority members to tag-on to the regular township and borough presentations conducted quarterly/yearly. This would be an opportunity to show everyone what the application would look like, our plan and take questions. Mr. Giles summarized who the audience would be:

- Townships/Boroughs;
- County Planning;
- County Planning Commission;
- Council of Governments (COG); and
- the general public.

The latter will only take place after the application has been approved by the Authority. Mrs. Moakeh added that the Regional Assets Funding Committee plan on using the Blasco Library auditorium to address the general public. Mr. Giles added that the Authority could use the same forum to address the three COG’s, that Mr. DiVecchio referred to. Mr. DiVecchio suggested that there be one meeting at the auditorium and that would be recorded and placed on a CD in case someone could not attend that meeting. Mrs. Moakeh added that the clip could be placed online where individuals could watch it at their own leisure.

Mr. Giles asked Mrs. Moakeh when the Authority could begin to implement what was just discussed. Mrs. Moakeh said a rough idea would be end of September. Mrs. Moakeh reminded everyone that the Regional Assets Funding Committee have there deadline for Community Assets and Special Events on October 20, 2008 and they plan on doing a work shop at the end of September.

Mr. Giles stated that regardless of the result of the litigation, we need to continue with developing the process of applying for restricted gaming revenue, subject of course to the Judge's order whenever that is released.

There were some general statements that were made thereafter:-

- a) If monies are not used within that fiscal year that monies becomes uncommitted monies;
- b) Monies that are not used accrue interest; and
- c) In the third week of January there is a full reconciliation for the year that just passed.

The second order of new business, Revised Timelines: Mrs. Moakeh shared the power point presentation as to how each dollar of gaming money, coming from the Casino, gets distributed. She added that there is a common misconception about the property tax relief and that the money (32.71%) does not come from the County it comes from the State. Mrs. Freeman asked whether it would be worthwhile for Mrs. Moakeh and perhaps Mr. Spaulding to conduct an interview – a question and answer session – for example “what the unrestricted and restricted monies are used for”.

Mrs. Moakeh stated that she had a press conference not too long ago where she addressed some of the common misconceptions but unfortunately they did not air that point. Mrs. Moakeh informed everyone that she had liaised with Mrs. Amendola, Director of Communications and Public Relations, asking her how to go about getting certain members of the media in to clear up some of these misconceptions. Mr. Fatica and Mr. Sample offered their assistance in this process.

Mr. Giles liked the idea of asking Ms. Amendola for assistance as to how to craft hot topics for the media to pick up and inform the general public.

Mrs. Moakeh also addressed an issue that was raised to the Senator - what happens if a project no longer goes ahead – does that money become uncommitted? The Senator informed Mrs. Moakeh that this is an administrative decision that is left to the Authority. Mr. Bruno said that this was raised at the last meeting in that there should be method would reallocate monies that are not used. Mr. Giles added that the process of reallocating monies be included in the byelaws. Mr. Knox explained that uncommitted monies would come back to the Authority at the end of the fiscal year or during the fiscal year if a project was no longer going ahead.

Mrs. Freeman said, and Mr. Sample agreed, that the policy and procedure manual is needed to cover this and not the byelaws.

Mr. Bruno explained that there needs to be a contract as to how the monies are to be spent. Mrs. Moakeh addressed his point in that the way the application is currently drafted it reads as a contract and in her opinion there is no need to create a separate agreement unless there are items that cannot be addressed in this application.

Mrs. Moakeh continued going through her presentation and showed the timelines for unrestricted gaming monies and stated that once we have a clearer idea of the restricted gaming monies time frame to create separate timelines. She further explained the importance of Mr. Spaulding's role, his expertise with dealing with the private sector and Mr. Welsh's role of dealing with the public sector and how invaluable they will be to the Authority on an as needed basis.

The third order of new business, Other:

Legal notice for the year: Mr. Giles requested that there be one legal notice for the Authority meetings for the year, which would be four weeks apart. Mr. Giles asked Mrs. Moakeh to deal with the administrative aspect to this. It was agreed that all meetings will be at 12:00 p.m., at the same location and the legal notice would comprise of the following dates:

- August 28, 2008
- September 25, 2008
- October 23, 2008
- November 21, 2008
- December 18, 2008

Pleadings- Motion for Summary Judgment: Mr. Knox stated that it would be helpful for the Authority members to be present at 1:30 p.m. on Monday, July 28, 2008.

Settlement: There was a brief discussion about whether the Authority felt there should be a settlement. The Authority is not interested in collectively advancing a settlement at this point. A motion not to consider a settlement was moved by Mr. Bruno and seconded by Mrs. DeSante and approved in a unanimous roll call vote.

Senate Bill Two: Mr. Spaulding explained that SB2, a Bill sponsored by Senator Jane Earl. This is \$800 million pool of gaming money that would be able to assist water and sewer projects. The regulations are expected to be released in 60 days.

Gaming Meeting (internal): Mrs. Moakeh explained that there was an internal meeting with Mr. Welsh, Mr. Spaulding, Mr. Smith, Mr. Wiley and Mr. Giles back in July. This was mainly to discuss the 'Third Tier' of the County Revitalization Fund and get Planning's input. This is a summary of the outcome of that meeting:-

- (a) It was agreed that HUD monies would be used to provide the CDBG 50% match requirement;
- (b) Part of the Act 137 monies would go towards affordable housing, but not operational costs; and

(c) Planning Commission will not be administering, recommending, approving the Act 137, contrary to what the Gaming Report states on page 10.

Archiving: Mrs. Moakeh stated that the Home Rule Charter details that all documents (specifically contracts) are custody of the Finance Director. She explained that she sought Mr. Sparber's advice as to how long he would want the contracts held and he responded by stating seven years from the completion date of the project. Mr. Giles had since asked that Mrs. Moakeh ask the advice of Mr. Maloney, who suggested we scan the document and keep it on record. There would of course be the final signed application which would be kept with the finance department for seven years from the date of completion of the project.

The first order of old business, Grant Application presented by Mrs. Moakeh: Mrs. Moakeh re-distributed the latest draft application to each member of the Authority. She briefly mentioned the changes that were made in pink and asked anyone if they had any questions. Some of the changes highlighted in pink were recommendations by Mrs. Pasquale. It was agreed that the Authority needed another thirty dates to digest the amendments.

Chairman Giles explained that by the next meeting that everyone would have had an opportunity to see the amendments to the application and ask that everyone have their suggestions or comments emailed to Mrs. Moakeh so that we can progress with the application.

Mrs. Dobbs-Woods asked Mrs. Moakeh about #14 on page 5 'ask Wally limit requirement'. Mrs. Moakeh said that she wanted to know what insurance coverage we would be expecting from applicants. Mr. Knox explained that this figure should be consistent with the unrestricted gaming revenue requirement which is currently two million dollars.

Mrs. Freeman handed Mrs. Moakeh a project schedule for applicants to use. This should be replicated in part and added to the application.

The second order of new business, Draft letter to potential applicants: Mrs. DeSante asked whether the letter acknowledging receipt of the grant applications was sent out. Mrs. Moakeh explained that she distributed a draft letter for approval at the last meeting. Mrs. Moakeh suggested she slightly tweak the letter to include Pennsylvania's Department of Community and Economic Development's website as an alternative grant funding source and Senate Bill Two (SB2) information. Mrs. Moakeh proceeded to explain that she re-sent the draft to Mr. Knox and Mr. Taft for their approval.

[Mr. Knox and Roger Taft have since approved the letter and all letters were sent out by September 5, 2008]

Action for the next meeting:

1. **Mrs. Pasquale**- to appear when the budget is ready for perusal.
2. **Timelines**- remove RAFC connection and two year multi-year application.
3. **Application Form**- agreed/amended with any comments. Mrs. Moakeh to replicate in part the project schedule handed to her by Mrs. Freeman.
4. **Marketing Strategy**- end of September workshop once application is approved.
5. **Draft letter**- to be tweaked and approved by Mr. Knox and Mr. Taft.
6. **Speak to Alyson** – Get the media involved in resolving the public's misconceptions about gaming monies.
7. **Policy and Procedure Manual** - Process of reallocating monies be included in the byelaws.

Meeting Adjourned: at 1:20 p.m.

Next meeting: August 28, 2008.

Minutes submitted by: Rena Moakeh