

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
SPORTS COMMISSION
HELD WEDNESDAY, DECEMBER 7, 2022
REMOTELY VIA ZOOM CONFERENCE
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 9:35 AM. E.S.T.

A meeting of the Board of Directors of the Sports & Exhibition Authority of Pittsburgh and Allegheny County Sports Commission (the “Sports Commission”) was held upon proper notice on Wednesday, December 7, 2022, commencing at 9:35 A.M. E.S.T. Due to the COVID-19 pandemic and guidance from public health experts, the meeting was conducted remotely via the online conferencing platform Zoom.

Members of the Commission present:

Sen. Jay Costa, Chairman
Sen. Wayne Fontana, Member
Tracey McCants-Lewis, Member
Michael Quatrini, Member
Sala Udin, Member

Also Present:

Aaron Waller, Mary Conturo, Bridget Pascal, Doug Straley, Rhea L. Thomas, Paul McDonald Jr., Theresa King, Randall Porch, and Jhason Dixon of the Sports & Exhibition Authority of Pittsburgh and Allegheny County (“SEA”); Morgan Hanson, Solicitor; and Clarence Curry, CFC-3 Management Services;

Senator Jay Costa called the meeting to order with the Pledge of Allegiance. Mr. Morgan Hanson followed with a roll call of the board members and advised that a quorum was present.

Beginning with public participation, Senator Costa asked if any members of the audience would like to address the board. Members of the public were offered participation by email, telephone, or the Zoom chat function. Mr. Paul McDonald Jr. stated no comments were received via email, no one registered to speak via telephone, and no comments were submitted via the Zoom

chat function thus far. Seeing no request from the public to address the board, Senator Costa moved to the next item on the agenda, approval of the minutes from the meeting on Thursday, September 1, 2022. A motion was made, seconded, and unanimously approved.

Senator Costa continued to the next item on the agenda, approval of the budgeted uses of the Expense Subaccount (“ES”) for SEA’s 2023 operating budget.

Ms. Bridget Pascal stated per Pennsylvania General Assembly Act 42 of 2017, an annual allocation of funds is made from the Pennsylvania Gaming Economic Development and Tourism Fund (“EDTF”) for use by the SEA, for the establishment, administration and maintenance of a regional sports commission. Pending such use, the money is held by the SEA in a restricted receipts account.

Within the restricted account, there is an established ES. In accordance with the SEA EDTF Restricted Account Programs and Procedures (the “Guidelines”), 5% of each EDTF allocation is held in the ES to be used for payment of SEA costs associated with the Sports Commission. Further, the Guidelines require that each year, as part of the SEA budgeting process, the SEA submits the budgeted uses to the Sports Commission for approval. Once approved, the funds are included in the SEA’s operating budget and once the SEA adopts its operating budget, those ES funds shall be transferred to the SEA operating account and used for the submitted purposes. Any unused funds at the end of the year are returned to the ES.

Ms. Pascal further stated there is currently one year of allocation (\$85,000) held in the ES. There will be an additional \$85,000 available for fiscal year July 2023 to June 2024. It is proposed the existing \$85,000 for 2022 and half of the 2023-2024 allocation (\$42,500) be approved to cover 2023 expenses, because in addition to the ongoing annual expenses, the SEA is pursuing the

purchase of software to help track all grant applications from submission through final payment for the Sports Event Funding (“SEF) Program.

Senator Costa asked if there were any questions from the board.

Mr. Michael Quatrini asked if the software is web or cloud-based and would SEA be paying a yearly fee for it.

Ms. Pascal confirmed SEA is looking into cloud-based software with a yearly fee.

Senator Costa asked Mr. Hanson if the board is able to utilize half of the 2023-2024 allocation.

Mr. Hanson stated the board can approve it and set up a structure for how the funds can be used; however, funds cannot be used until they are received.

Senator Costa asked if the board can expect receipt of \$1.7 million in April 2023.

Ms. Pascal confirmed that is correct.

Senator Costa stated the \$1.7 million would be added to the \$3 million remaining, minus the \$42,500 (half of the \$85,000) Ms. Pascal mentioned.

Ms. Pascal confirmed that is correct.

Senator Fontana asked if the \$85,000 is already expensed or is it being allocated for the software.

Ms. Pascal stated it is for the ongoing expenses to maintain the Sports Commission.

Senator Fontana asked if the \$85,000 plus half is coming off of the \$3 million plus the \$1.7 million coming in.

Ms. Pascal confirmed that is correct.

Senator Costa stated the remaining half will be reallocated in a future meeting for 2023.

Ms. Pascal confirmed that is correct.

Mr. Quatrini asked what the annual licensing fee for the software is.

Ms. Pascal stated the SEA is currently receiving quotes but it appears it will be between \$10,000 - \$15,000.

Mr. Quatrini stated that cost is quite reasonable given his experience with his firm's recent switch to cloud-based software.

Senator Costa asked what is the maximum capacity and how long before it's projected the SEA hits said capacity given the expected growth of applications for the SEF Program.

Mr. Aaron Waller stated this is one of the reasons why the SEA is moving to a software-based platform, not only to improve efficiency and evaluate the applications but also due to the anticipated growth in the number of applications the SEA will be receiving and processing. Mr. Waller further stated the SEA is looking to make sure it has a seamless review and approval process.

Senator Costa asked if this would be an internal program or if the public could access the software.

Mr. Waller stated one of the critical improvements would be that an applicant would have the ability to engage the SEA through the software and know their application status. Additionally, the software would ensure an application is not complete until all necessary fields are filled in. Mr. Waller further stated a significant issue is the amount of time it takes SEA staff to address questions and respond to applicants with incomplete applications. The software will help the SEA with a standardized process, and applicants will be aware of their status throughout the process.

Senator Costa asked if all applicants would be required to utilize the software program and whether there is another option for entities not well versed with technology.

Mr. Waller stated the SEA will expect all applicants to utilize the software; however, the SEA will provide additional assistance to applicants that may not have adequate computer/technological skills and that will be incorporated into SEA's development of the software program.

Mr. Quatrini stated the Pittsburgh Foundation ("PF") uses a grant interface for everyone to have a profile and be able to submit grant requests. Mr. Quatrini further stated in some of the programs, the funding goes to less sophisticated users and suggested SEA staff get connected with PF to inquire whether PF could provide guidance regarding how they assist organizations that do not have the technological capabilities.

Mr. Waller stated SEA staff would contact PF.

Senator Costa asked what would non-applicants be able to see with this software program, in other words how much detail would non-applying organization be able to view.

Mr. Waller stated the SEA scoped out the application process for the software program. The application form will be completed online in a PDF format and emailed to the SEA, and applicants will then receive automated responses regarding completion. Mr. Waller further stated the SEA continues to work out the reporting terms, who is approved and how reports will be presented to the public; however, SEA will share all details with the Sports Commission before the software program goes "live".

Senator Costa stated it is important the public knows who applied, who is approved and the nature of what is being proposed as it shows the public where the money goes but also it is the information completed on the state level.

Mr. Waller stated that is going to be key with regard to the capabilities of the software the SEA selects.

Senator Costa asked if there were any questions from the board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. SC020

RESOLVED that in accordance with the ACT 42 EDTF Restricted Account Programs and Procedures (Guidelines) the SEA Sports Commission hereby approves the budgeted uses of the Expense Subaccount as presented; and further that the proper officers of the SEA Sports Commission are hereby authorized to do all acts as may be necessary and proper to carry out the intent and purpose of this resolution. All resolutions or parts thereof inconsistent with the provisions of this resolution are hereby repealed or rescinded, canceled, or annulled so far as the same affects this Resolution.

Senator Costa continued to the next item on the agenda, updates to the Sports Commission Board.

Mr. Hanson stated, for the record, Mr. Sala Udin joined the meeting.

Mr. Waller stated with respect to the grant agreements previously approved by the SEA Board, specifically the first round of the 2022 application cycle, the execution of both events have taken place and payment to Basketball Stars of America, in the amount of \$50,000, occurred on August 30, 2022. The SEA received the final report from Greater Monroeville for AC Sports and payment of \$75,000 is expected to be sent out by the end of 2022.

Mr. Waller further stated regarding the second round of the 2022 application cycle, three grant agreements have been sent out, four agreements are pending, and four agreements are awaiting additional information. The SEA expects to receive the additional information in the near future. The next round of grants will be advertised the week of December 12, 2022, and the application period will be open from December 15, 2022, through January 17, 2023.

Senator Fontana asked, once the grantee receives the money and the event occurs, does the SEA receive any feedback as to the success or failure of the event.

Mr. Waller stated a final report must be provided by the grantee before they can receive any grant payment, which provides the SEA with information regarding the implementation and outcome of the event. Senator Fontana stated that information would be relevant if an organization were to apply again.

Senator Costa asked if an organization did not meet projected goals, does the grant get prorated or does the SEA provide the full grant amount.

Mr. Waller stated the SEA records the economic impact of each event. Mr. Waller further indicated SEA has not experienced an instance where the projected goals of an event have not been met but he will circle back regarding what the next steps would be if that were to happen.

Senator Costa asked if the SEA has only completed one grant.

Mr. Waller stated two grants were successful completed.

Mr. Quatrini stated if an organization requests a grant of \$50,000 but provides a report showing the organization has only spent \$35,000, the organization should only receive \$35,000. Mr. Quatrini further stated if the organization spent the \$50,000 but cannot show appreciable impacts and expansion or did not meet the projected goals, the organization should receive the \$50,000. However, the organization's failure to meet the project goals should be documented and considered for any future funding request.

Senator Costa agreed with Mr. Quatrini.

Mr. Hanson stated the SEA only reimburses on an actual spend basis, once the organization provides evidence on how the money was spent and cannot retract an approved matter because it did not get "the bang for the buck"; however, the SEA would note any discrepancies to inform the

process going forward. Mr. Hanson further stated the Sports Commission Board has previously spoken about efficacy, ratings, and overall data, in order to determine whether money is being used wisely and is achieving the goal; therefore, all that information needs to be collected and provided to the board.

Senator Costa agreed with Mr. Quatrini's statements and stated there needs to be a procedure to prevent organizations from embellishing the data of an event.

Ms. Tracey McCants-Lewis asked is there a question on the application asking if an organization has received a grant in the past.

Mr. Hanson stated that currently the application does not ask that question; however, the application likely will be amended to include that question in the future.

Mr. Waller stated that is another reason the software platform is needed in order to track that information (of previous applications, etc.) even if the applicant does not provide it.

Mr. Sala Udin asked if each applicant submits a line item budget indicating what the organization will use the grant money for.

Mr. Waller stated that is correct.

Mr. Udin asked if the monitoring of the spending is based on that budget and does the organization have to provide costs upfront with a line item budget to allow the SEA to then determine what is justified in the budget for the grant money.

Mr. Waller confirmed that is correct.

Mr. Hanson stated the budget is used to evaluate reasonableness based on the SEA's understanding. Anything broadly out of whack would be flagged, but when the money is spent and the organization provides a final report for reimbursement, the SEA provides some flexibility if

things turned out, in actuality, slightly different than expected but were still done in good faith. The SEA will not hold the organization to the nickel on their preliminary budget.

Mr. Waller stated the SEA identifies what the grant can be used for.

Senator Costa asked if there were any additional updates. Hearing none, Senator Costa asked if anyone in the audience desired to address the board. Mr. McDonald Jr. stated the public was provided with three options for public participation: email, telephone, or the Zoom chat function. No public comments were submitted via email, there were no registrations to submit a public comment via telephone, and no comments were submitted via the Zoom chat function.

Senator Costa asked if there were any additional comments or business.

Senator Costa welcomed the new individuals and wished everyone a very happy holiday.

With there being no additional comments or business, Senator Costa asked for a motion to adjourn. Upon a motion duly made, seconded and unanimously carried, the meeting was adjourned at 10:00 A.M.