

FOR IMMEDIATE RELEASE

July 8, 2009

CONTACT: David Donahoe, Executive Director
Julie Goetz, Communications Manager
(412) 227-1900 ext. 14

RAD BOARD TO CONTINUE WITHHOLDING PORTION OF GRANTS AS IT MONITORS SALES TAX REVENUE

PITTSBURGH—The Board of Directors of the Allegheny Regional Asset District today decided to continue to withhold 10% of 2009 operating grants, as well as all contracts for discretionary capital grants, for at least two more months.

“Though we wish we had better news, even with the withholding still in place, the District budget will still be \$75 million, a substantial public commitment” said Dusty Elias Kirk, chair of the RAD board. “The grant program currently funds operating and capital grants to 90 diverse assets that are making a significant contribution to the vitality of this region.”

Citing the continued uncertainty that surrounds sales tax revenue (the source of District funding), the District said it will continue to review its revenue position over the next five months. If a determination is made that the District is able to meet its revenue budget for the year, then additional funds might be released.

In December, the Board approved a 2009 budget with a condition that it would withhold 10% of operating grants for the first six months of the year, and a full withholding of all discretionary capital grants as it continued to review its revenue position and monitor financial trends at least through mid-year. The 10% withholding practice has always been applied to the contractual assets. The District retained the right to reduce grants permanently if it found that it would not meet revenue targets.

-MORE-

RAD Release July 8, 2009

Add One

In its report to the Board today, the Allocations Committee, responsible for recommending the budget, noted the second straight month that revenue has declined by over 5% compared to the same month last year. "Should the current trend continue, the District's tax revenue decline would exceed budget by \$1.4 million requiring even more than the \$3.5 million of reserve already budgeted for 2009 grants," said the Committee. "Adhering to budgets is a discipline required of an agency that has no control over its revenue source."

"While we appreciate the fiscal needs of our assets, we must continue to be responsible fiscal stewards of the RAD fund so that it continues to meet its mission of sustaining and enhancing the assets," said Kirk.

The Allegheny Regional Asset District (RAD) supports and finances regional assets in the areas of libraries, parks and recreation, cultural, sports and civic facilities and programs. The District receives one-half of the proceeds from the 1% Allegheny County Sales and Use Tax, and the other half is paid directly to the county and municipal governments by the State Treasurer.