The Board of Directors met at 3:00 PM on Tuesday, March 27, 2012 at the Regional Enterprise Tower, Pittsburgh, in the O'Neill Conference Room. Present were Board members: Chair, Mr. Daniel Griffin, Ms. Jackie Dixon, Ms. Dusty Kirk (via conference call), Dr. Daniel Rosen, Mr. Stanley Parker, and Ms. Connie Yarris. Chief Counsel Mr. James Norris, Executive Director Mr. David Donahoe, staff and members of the public and media were also present. Notice of the meeting was published in accordance with the Act and By-laws and the agenda was posted on the District website the week prior to the meeting.

Mr. Griffin noted that as this was the first meeting of the year it would constitute the “annual” meeting with officers elected.

**Communication from Allegheny County**

Mr. Griffin announced that the Board had received notification that the Allegheny County Chief Executive named Ms. Jackie Dixon as a member of the Board and that County Council had confirmed her nomination. He welcomed Ms. Dixon and thanked her for her willingness to take on this important civic assignment as she has so many in the past. He also noted that Ms. Kirk and he had been reappointed for another term.

Mr. Griffin said that Ms. Dixon would replace Rick Pierchalski who served the District for eight years including as Chair and Treasurer of the Board. A Certificate of Appreciation would be awarded to Mr. Pierchalski.

**Public Hearing and Comment Period**

As required by law, the Chair opened the meeting for public comment prior to proceeding with the agenda. As no one had signed up to speak, the meeting continued.

**Minutes**

The Chair opened the business agenda asking for consideration of the minutes of the meeting of November 29, 2011, which were distributed to members previously. He asked if there were any corrections or additions. There being none, Mr. Parker moved approval with Dr. Rosen seconding the motion which was passed unanimously.
Treasurer’s Report

Mr. Donahoe gave the following report:

Board Members:

Sales tax revenue for the first quarter of this year totals $22 million. This result is $1.3 million or 6.3% higher than the same period last year. It is the strongest quarter in the history of the county sales tax with growth in general as well as auto sales taxes. Two of the months, January and February, represent holiday sales from last year while March represents January, 2012 sales. In addition to outpacing last year, the revenue also exceeded budget for the quarter.

As a result of the positive cash flow, the District accelerated the release of quarterly and annual grant payments by one month. The only exception to this is for assets that did not file timely 2011 close out reports or execute 2012 contracts. Payments to these assets will be made upon receipt and acceptance of the required reports.

Interest rates remain at historic low levels. At the end of 2011, Citizens Bank, the long time local depository for the District, indicated that it would no longer provide interest bearing accounts for government agencies in Pennsylvania. As a result, the District has been examining proposals from local banks to take over this function.

Submitted by

David L. Donahoe
Assistant Treasurer

Ms. Dixon asked for a clarification on the banks that proposed on the District’s business. Mr. Donahoe replied that proposals had been received from PNC, Dollar Bank and First Commonwealth.

Mr. Griffin directed that the Treasurer’s Report be received and filed.

Audit Committee Report

Mr. Griffin called on Ms. Yarris to deliver the Audit Committee report.

Board Members:

The Audit Committee met on March 9, 2012 with the District’s independent auditors, District staff and a representative from the County Controller’s office. We present the following report for the Board’s consideration:
1. **2011 Audit**
   Board members have received a copy of the 2011 audit and it is available for public inspection in the District office and posted on the District’s web site. The committee reviewed the audit with staff from the firm of Zelenkofske and Axelrod. There were no disagreements with management and no deficiencies were noted in the audit. The District is in compliance with current standards for presentation of financial statements by government entities.

2. **2011 Agreed Upon Procedure Reviews**
   As a part of the District’s oversight function, the Audit Committee, on behalf of the Board, annually selects regional assets for agreed upon procedure reviews. The asset’s internal records are compared to the information supplied in applications and close out reports. The reviews are conducted by the District’s independent auditor. The Committee has chosen four assets: the Pittsburgh Zoo and PPG Aquarium, Pittsburgh Filmmakers, Quantum Theatre and Avonworth Municipal Authority. The estimated cost for the project is $8,500.

3. **Ethics Policy Update and Anti Fraud Provisions**
   In accordance with Board directives, the Executive Director provided a report on the implementation of the District’s ethics and anti fraud policies.

   Submitted by

   Audit Committee
   Dusty Kirk, Stan Parker,
   and Connie Yarris

   Ms. Kirk commended the staff for their work in managing the District financial records. Ms. Dixon asked how long Zelenkofske served as auditors and Mr. Donahoe responded that they were in the second year of a three year engagement. There being no other questions, the Chair directed that the report be received and filed.

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**Library Committee Report**

The Chair stated that over the last two years the District has commissioned special audits of two major library grantees: the Carnegie Library of Pittsburgh and, more recently, the Allegheny County Library Association. Together, these assets have received 32% of the District grant funds over the last 18 years so RAD has a keen interest in their effectiveness and efficiency. He then called on Dr. Rosen to report on the results of the ACLA audit.
Board Members:

In October of last year the Board commissioned the firm of ParenteBeard to conduct a special audit of the Allegheny County Library Association (ACLA). The District provided the auditors with nine areas for examination including financial reporting and recordkeeping, staffing, programming and communications. Earlier this month the committee met with the consultants and reviewed the final report which has been distributed to the members.

In summary, the auditors found no significant issues with the financial reporting, record keeping or cost allocation among the various programs. While a small organization administratively, sufficient oversight and internal controls exist and the organization has received clean, independent audits over the years with very few management comments. Compensation is comparable to similar organizations.

In terms of internal communication, the audit notes that ACLA has taken steps to implement the recommendations of prior consulting reports although complete success in this area remains a challenge for the federated system. The report makes several restructuring recommendations that may assist ACLA.

The consultants also noted that overlaps exist between ACLA and the District Services unit of the Carnegie Library of Pittsburgh. To some degree this is a result of an outdated state library code that gives duties to both organizations.

While the report does not quantify the duplication, it notes that librarians are aware of it and would support efforts to streamline the service delivery. The recommendation is that both organizations continue work already underway to sort out these duties.

The committee provided ACLA an opportunity to respond to the audit. In a letter from the Executive Director, ACLA notes that a strategic planning process has also identified structural and programming issues for examination.

Given that both ACLA and Carnegie Library of Pittsburgh are both now involved in strategic planning efforts, the committee recommends that the District encourage both to examine the issues raised in the report. Further, they should be reminded that the District, through the Connections Grant Program, supports shared service initiatives that result in more efficient public service with lower overhead cost.

Submitted by

Library Committee
Dan Griffin, Dan Rosen

Ms. Kirk asked for further explanation on the recommendations that were being made as a result of the report. Mr. Griffin said that the Committee wanted Carnegie Library and ACLA to
review any areas of duplication and to sort library support tasks in such a way that made sense for all libraries. Given that both were in strategic planning mode, it was a good time to do so.

Ms. Dixon suggested that a time frame be established for reporting back to the District. The Chair asked representatives of both organizations attending the meeting to outline their respective schedules. Karlyn Voss of Carnegie Library indicated that they expected their plan to be completed in October. Marilyn Jenkins of ACLA said they had a similar schedule and had begun discussions with the Carnegie Library on these issues. Mr. Griffin asked the Library Committee to monitor this effort.

Mr. Griffin informed all that no action of the board is required, he would direct staff to provide a copy of the Library Committee report to ACLA and the Carnegie Library so that they can be aware of our interest in efforts to deal with to deal with the issues in the report. The Board will anticipate an interim report from the assets at the August budget hearing.

Executive Director’s Report

The Chair called on Mr. Donahoe for his report.

a. Mr. Donahoe asked the Board to authorize Nium, Inc. the 2012 graphics consultant, to undertake preparation of a new brochure/card and newsletter template in addition to work already contracted for the annual report. The total cost of all work would be $4,000 plus out of pocket expenses. Ms. Yarris moved approval seconded by Mr. Parker and the request was approved unanimously.

b. Mr. Donahoe withdrew the item to appoint depositories pending further review.

c. Mr. Donahoe informed the Board that all of the business insurance was renewed for 2012 at approximately the same cost as in 2011.

d. Mr. Donahoe informed the Board that the building housing the District’s headquarters had been sold and that it was likely that the offices would be relocated within the building. Also, the meeting rooms would no longer be available once renovations started.

Old/New Business

Ms. Kirk welcomed Ms. Dixon to the Board and thanked Ms. Connie Yarris for her service to the community.

Election of Officers

Mr. Griffin stated that the bylaws provide for the election of three officers, Chair, Vice Chair, and Secretary/Treasurer. The Board may elect assistant officers either from the Board or staff as it sees fit. The officers are elected to serve until the next annual meeting. A member may hold more than
one officer position. A person may serve three successive terms as chair and then must sit out a year before being elected chair. There are no limitations on other officers and all current board members are eligible for election to any office.

Mr. Griffin asked Mr. Donahoe to conduct the elections.

Mr. Parker nominated Mr. Griffin to serve as Chair. There were no other nominations so the nominations were closed. The Board voted unanimously in favor of Mr. Griffin becoming Chair for 2012.

Ms. Yarris nominated Mr. Parker to serve as Vice Chair. There were no other nominations so the nominations were closed. This was followed by a unanimous vote in favor of Mr. Parker serving as the Vice Chair for 2012.

Dr. Rosen nominated Ms. Kirk to serve as Secretary/Treasurer. As there were no other nominations, the nominations were closed. The Board unanimously approved the election of Ms. Kirk to serve as Secretary/Treasurer.

At Mr. Griffin’s nomination, the board unanimously re-elected Mr. Donahoe as Assistant Secretary/Treasurer.

**Appointment of Committees**

The Chair proceeded to the appointment of committees as follows:

Ms. Kirk, Mr. Parker and Dr. Rosen to the Allocations Committee

Ms. Dixon, Mr. Linzer and Dr. Rosen to the Library Committee

Mr. Linzer, Ms. Yarris and Ms. Kirk to the Audit Committee

Ms. Yarris, Mr. Linzer and Ms. Dixon to the Connections Committee

Mr. Griffin appointed himself, Mr. Parker and Ms. Kirk to serve as the Executive Committee.

**Adjournment**

Mr. Griffin thanked everyone for their confidence in him and for their service on this important board, which he regarded as an important part of the quality of life of the county.

As there was no further old/new business, Mr. Griffin adjourned the meeting at 4:45 PM. Mr. Griffin reminded all that the next meeting will be Tuesday, April 24th at the National Aviary.