The Board of Directors met at 3:30 PM on Tuesday, February 22, 2011 at the Regional Enterprise Tower, Pittsburgh, in the O'Neill Conference Room. Present were Board members: Vice Chair, Rick Pierchalski, Ms. Dusty Kirk, Mr. Dan Griffin, Dr. Dan Rosen, Mr. Stanley Parker, and Ms. Connie Yarris. Chief Counsel Jim Norris, Executive Director 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. Pierchalski announced that Mr. Rob Jones submitted his resignation from the Board to Mayor Ravenstahl effective February 12, 2011. Mr. Pierchalski noted that as this was the first meeting of the year it would constitute the “annual” meeting with officers elected. He would serve as chair until the election. The meeting was also a public hearing as a grant award was to be recommended.

**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 first item on the business agenda is consideration of the minutes of the meeting of November 30, 2010, which were distributed to members previously. Dr. Rosen asked for a correction in the minutes to reflect that he was present.

Ms. Kirk moved approval of the minutes from November 30, 2010 with noted correction, Ms. Yarris seconded the motion and the minutes were unanimously approved.

**Treasurer’s Report**

Mr. Parker gave the following report:

Board Members:

Tax revenue for the first two months of the year totals $14.8 million or 5.7% higher than the same period last year. These months reflect returns from the holiday sales period and
are consistent with national trends that saw increases in retail activity. There has also been growth in auto sales over the last several months.

While the tax results are better than budget, please keep in mind that the comparison to 2010 involves months where we saw the greatest tax revenue decline during the downturn. The growth experienced in 2011 is only 1% higher than the first two months of 2008, just before the recession took hold.

Expenditures for the two months are consistent with budget. Cash flow improves this year as the District finalized a major portion of the bond issue associated with the stadiums and convention center construction. Several major payments during the year have been converted into an even monthly payout. The total grant has not changed and will not change during the life of the issue.

Field work on the 2010 independent audit occurred during January. Members may have received inquiries from the auditor and are asked to return them as soon as possible so that the project can be completed on schedule in mid March. Audits along with monthly revenue reports are posted on line and available to the public in the District Office.

Submitted by

Stan Parker, Treasurer

As there were no questions, Mr. Pierchalski asked that the Treasurer’s Report be received and filed.

**Connections Committee Report**

Mr. Pierchalski called on Ms. Kirk to report from the Connections Committee:

Board Members:

The Committee met to review connection grant applications received in the fourth quarter of 2010. Based on that review, we are recommending one award at this time:

$50,000 to the Pittsburgh Cultural Trust to support the enhancement of their Tessitura system so that they can process on line season ticket subscriptions for their resident companies. Currently season tickets have to be processed by each company resulting in duplicative processing charges. It is estimated that if 20% of their season subscribers utilize the enhanced system, the savings could reach $500,000 among the assets. The budget for the project is $93,000 with the Trust underwriting the difference between the total cost and the grant request.

This project meets the criteria of a collaborative effort to reduce administrative costs among assets and, if successful, will do so on an annual basis. This award would be made from the 2011 Connection Grant Allocation leaving a balance of $200,000.
The committee discussed whether the criteria for the Connections Grant program need to be clarified also. A number of applications received during the initial year of the program were for projects with limited ongoing cost reduction or revenue enhancement. While those projects were certainly valuable, their limited impact was not the goal of the program. To clarify this, the committee is recommending that the criteria for the Connection Grant Program be amended as follows. The additional language is underlined:

Connection Grants will be one time project grants designed to directly assist in the implementation of new asset connections including the following:

✓ Actual merger of assets resulting in a reduction of overhead costs or that will otherwise sustain the asset’s level of service to the community.
✓ Agreements between or among assets to share a significant portion of administrative costs and or facilities for a minimum of three years.
✓ Collaborative projects expected to result in continuing revenue enhancement and/or expenditure control. One time programming or marketing projects without ongoing economic benefit to assets are not eligible.

The Committee believes that this change will clarify the program for applicants and the Board.

Submitted by
Connections Committee
Dusty Kirk, Dan Griffin and Connie Yarris

Ms. Kirk said the change in criteria was to elevate the level of projects. Mr. Pierchalski said that he thought the criteria change would align the program with its original intent. Mr. Griffin noted that the Cultural Trust application was the only submission that met the restated criteria.

Ms. Kirk motioned adoption of the report including the grant award and the criteria change. Dr. Rosen seconded the motion, which was carried unanimously by the Board.

Executive Director’s Report

The Chair called on Mr. Donahoe for his report.

a. Mr. Donahoe presented the City of Pittsburgh Regional Parks’ long range plan, a copy of which is on file in the District office. The plan included adding a 5th park to the system, the Emerald View Park in Mt. Washington. Mr. Donahoe recommended approval of this plan. He noted that the Parks Committee had reviewed the plan but did not issue a recommendation so the matter was being brought before the full board.
The Chair then opened the floor to questions and comments. The city was represented by Mike Gable, Assistant Director of Public Works, Mike Radley, Director of Parks, Rea Price and Chuck O’Neill from the Budget Office.

Mr. Griffin asked if there would be a separate crew assigned to the park. Ms. Price said that there was not a crew assigned now but that if additional funds were allocated for the park, a crew may be assigned.

Mr. Pierchalski asked if the District had to accept the new park in the funding program. Mr. Donahoe said that the only definition for a regional park was provided by the District governing law. A park is eligible for funding either because it is 200 acres in size or sits in more than one municipality. Under these criteria, the Emerald View Park meets the 200 acre standard as it is 230 acres.

Ms. Kirk said she was not satisfied that the city had projected a budget for the park and that the existing regional parks might suffer financially if funds were allocated to a new park. She also expressed concern that funds would be used solely to clean up the area. Ms. Price noted that they were not asking for additional funding in the submission but were following the decision of the Mayor and City Council to designate Emerald View as a regional park.

Ms. Yarris asked if the park generated revenue. Mr. Gable said that there were some facilities that could generate revenue, as there are in any park.

Ms. Kirk asked if the District could establish its own definition of a park. Mr. Donahoe said that the District had to be guided by the Act on what is or is not a regional park. Whether the District funds an eligible park is a matter for the budget process. Mr. Norris indicated that he tentatively agreed with this conclusion but was willing to look at it further.

Ms. Kirk asked if the Community Development Corporation had been successful in raising funds for the park. Mr. Gable said that they had been very successful and Mr. Donahoe noted that over $3 million was reported to have been raised to date.

Ms. Yarris noted that much of the park was not useable. Mr. Gable said there was unusual topography as there is in all local parks but that improvements being made would open up many new areas for public use. He said that additional acreage could be added in the future.

Mr. Parker said that he appreciated the efforts of the city to beautify the park which is visible from downtown. He said that funding decisions would be made in future budget but that he was supportive of the plan as submitted by the city. Dr. Rosen concurred and said that this was an important opportunity for the city.

Mr. Griffin encouraged the city to coordinate the utilization of public works and parks employees to maximize efficiencies.
Mr. Griffin motioned for approval of the City’s Long Range Plan with Mr. Parker seconding the motion, which was unanimously approved by the Board.

b. Mr. Donahoe presented long range plan of the Carnegie Museums of Pittsburgh, a copy of which is on file. Mr. Donahoe recommended approval of the plan.

The chair then opened the floor for questions or comments. Cynthia McCormick, Associate Vice President for Government Affairs, represented the Museums.

Ms. Kirk inquired whether the museums expect a decrease in state and federal funding. Ms. McCormick stated that they expected major reductions. In answer to Mr. Pierchalski’s question, Ms. McCormick estimated last year’s state funding at $3-4 million and $6 million from the federal government. That state funding can be used for operating expenses while the federal government funding is directly tied to projects.

Ms. Yarris moved approval of the Carnegie Museums’ long term plan with Ms. Kirk seconding the motion. It was carried unanimously approved by the Board.

c. Mr. Donahoe informed the Board that the new third party administrator of the District’s retirement plan provided a formal submission for the transfer of the District’s Money Purchase Plan to the American Funds Record Keeper Direct. The resolution was reviewed and approved by Chief Counsel.

In answer to Ms. Kirk’s question, Mr. Donahoe stated that the retirement plan listed in the resolution was exactly the same as the one approved on November 30, 2010.

Mr. Griffin motioned approval of the following resolution with Ms. Kirk seconding the motion. This motion was approved unanimously by the Board.

Resolved, that the form of Plan presented to this meeting is a Money Purchase Pension Plan as authorized under Internal Revenue Code Section 401(a) and 501(a). This restatement shall be effective March 1, 2011.

Resolved, that the Allegheny Regional Asset District Money Purchase Plan and the Allegheny Regional Asset District Money Purchase Trust presented to this meeting are hereby adopted and approved and that the proper officers of the Employer are hereby authorized and directed to execute and deliver to the Plan Administrator one of more counterparts of the Plan.

Resolved, that the proper Officers of the Employer shall act as soon as possible to notify employees of the Employer of the restatement of the Plan and Trust by delivering to each employee a copy of the summary plan description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.
The undersigned further certifies that attached hereto and Exhibits A,B,C,D respectively are true copies of the Allegheny Regional Asset District Money Purchase Plan Adoption Agreement, Document, Trust and Summary Plan Description approved and adopted in the above resolution.

/s/ David L. Donahoe
Assistant Secretary
February 22, 2011

Election of Officers

Mr. Pierchalski 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. Pierchalski opened the floor for nominations for the office of Board Chair.

Ms. Yarris 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 2011.

Mr. Pierchalski opened the floor for nominations for the office of Vice Chair.

Mr. Parker was nominated by Mr. Griffin. As there were no other nominations, Mr. Pierchalski closed the nominations. This was followed by a unanimous vote in favor of Mr. Parker serving as the Vice Chair for 2011.

Mr. Pierchalski called for nominations for Treasurer/Secretary.

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

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

Mr. Pierchalski then turned the meeting over to the newly elected chair, Mr. Griffin.
Appointment of Committees

The Chair proceeded to the appointment of committees.

Mr. Griffin appointed Mr. Parker, Ms. Yarris and Ms. Kirk to the Allocations Committee.

Mr. Griffin appointed himself, Mr. Pierchalski and Dr. Rosen to the Library Committee.

Mr. Griffin appointed Mr. Parker, Ms. Yarris and Ms. Kirk the Audit Committee.

Mr. Griffin appointed Ms. Kirk, Dr. Rosen and Mr. Pierchalski to the Connections Committee.

Mr. Griffin appointed Dr. Rosen, Mr. Parker and Ms. Kirk to the Parks Committee.

Ms. Yarris motioned for approval of all the committee assignments with Mr. Pierchalski seconding the motion, which was unanimously approved by the Board.

Adjournment

As there was no further old/new business, Mr. Griffin adjourned the meeting at 4:20PM. Mr. Griffin reminded all that the next meeting will be March 29, 2011.