The Board of Directors met at 3:30 PM on Tuesday, April 27, 2010 at the August Wilson Center for African American Culture. Present were Board members: Ms. Dusty Kirk, Mr. Rob Jones, Chair, Mr. Dan Griffin, Dr. Herman Jones, Jr., Mr. Stanley Parker, Mr. Rick Pierchalski, and Ms. Connie Yarris. Chief Counsel Jim Norris and Executive Director David Donahoe were also present. Advisory Board members present were: Ms. Pam Golden, Mr. Winford Craig, Mr. David Graffam, Ms. Dina Clark, Mr. Charles Spence, Ms. Liane Norman, Mr. Christopher Cahillane, Mr. Davie Huddleston, Mr. Mark Lynch, Mr. Anthony Macklin and Mr. Richard Betters. Mr. Charlie Humphrey and Mr. Andre Kimo Stone Guess were present as invited guests. Staff and members of the public were also present. Notice of the meeting was published in accordance with the Act and By-laws and posted on the District Website.

Mr. Andre Kimo Stone Guess, the new President and CEO of the August Wilson Center, welcomed the group to the Center and thanked the District for its prior support.

The Chair also welcomed the group and thanked the Advisory Board members for their support and past efforts. He then called on Mr. Donahoe to present the District’s 2009 annual report.

Mr. Donahoe narrated a slide presentation on the program and financial results of the prior year and outlined the challenges for the coming year. Julie Goetz, Communications Manager, added information on how the District was meeting its responsibilities to inform the public and assets about the recession impact on the District. Mr. Charlie Humphrey, Executive Director of Pittsburgh Filmmakers and Pittsburgh Center for the Arts, added the perspective of a cultural asset manager working through difficult economic times and responded to questions from the group.

The meeting then proceeded with the regular agenda.

**Public Hearing and Comment Period**

The Chair announced that no one had signed up to speak at the meeting.

**Minutes**

The February 23, 2010 and March 30, 2010 Special Meeting minutes were previously distributed to the Board members. As there were no corrections or additions to the minutes of the meetings, Mr.
Parker moved approval with Dr. Jones seconding the motion and the minutes were unanimously approved.

**Treasurer’s Report**

Mr. Parker gave the following report:

Board Members:

Tax revenue through the first four months of this year totals $25.5 million. This is a year to date decline of $600,000 or 2.3% from the same period last year. Revenue for April, representing February sales, was 1.9% lower than the same month last year even with the weather issues consumers faced that month. Revenue for auto sales in that month was actually slightly higher than last year. The Allocations Committee will have more to say about revenue trends in its report.

Expenditures in the grant and administration funds are in line with budget.

The Executive Director and I will be pleased to respond to any questions.

Submitted by

Stan Parker, Treasurer

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

**Audit Committee Report**

The Chair asked Ms. Yarris to give the following report:

Board Members:

The Audit Committee met on April 21, 2010 with the District’s independent auditors, District staff and representatives from the County Controller’s office. We present the following report for the Board’s consideration.

1. **2009 Audit**

Members have received a copy of the 2009 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 representatives of the audit firm, McKeever Varga & Senko. The auditors said there were no disagreements with management on the financial
statements and no deficiencies were noted. The District is in compliance with current standards for presentation of financial statements by government entities.

2. **2010 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 Pittsburgh Children’s Museum, Pittsburgh Cultural Trust, Pittsburgh Ballet, Pittsburgh Civic Light Opera and Saltworks Theatre Company. The auditor will be directed to undertake as many of these review as the budget permits. There is a balance of $9,000 for audit services remaining in the 2010 budget.

3. **Selection of Auditor**

With the completion of the agreed upon procedure reviews, the second three year engagement with our current auditor will come to an end. Therefore, we have directed staff to seek proposals for audit services beginning in 2011. The current firm, along with others, will be invited to submit proposals.

Submitted by

Audit Committee
Herman Jones, Stan Parker,
and Connie Yarris

As there were no questions from the Board, the Chair asked that the Audit report be received and filed.

**Connections Committee Report**

The Chair asked Mr. Griffin to present the following report:

Board Members:

Last year the Board created the Connection Grant category as a part of our effort to encourage asset collaborations. The overall goal of the program was to help asset programs survive by paring down overhead and administrative costs.

We set three important criteria for the program and stipulated that applications had to meet at least one of the criteria to be considered:
✓ 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.
✓ Projects by single or multiple assets designed to foster collaborative efforts in the areas of administration, marketing, revenue enhancement and expenditure control.

The Committee met to review seven applications received in the first quarter of 2010. Based on that review, we are recommending the award of the following grants that meet the criteria and represent new initiatives that should have a lasting impact on asset operations:

1. The Greater Pittsburgh Arts Council, a grant of $8,000 to incorporate two mid-size organizations (Quantum Theater and Pittsburgh Irish and Classical Theater) into a marketing database that assists organizations in targeting ticket buyers and future supporters. The project already has seven organizations enrolled. Done independently, such a marketing system would cost each organization from $15,000-$20,000.

2. Calliope, a grant of $17,500 for costs associated with the final installation and marketing of the new performance space at the Pittsburgh Center for the Arts. The group has already relocated its offices to the Center and raised $100,000 to cover most of the renovation costs. The new venue will lower Calliope’s ongoing operating costs and provide earned revenue to the Center for the Arts.

The two grants total $25,500 and would leave a balance of $146,700 in the connection grant program for 2010. We recommend the Board approve these grants and authorize the Executive Director to enter into the necessary agreements.

The committee has asked staff to continue marketing the program and to seek out projects in line with the program’s goals.

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

Ms. Yarris motioned for approval of the two connection grants with Ms. Kirk seconding the motion which was unanimously carried by the Board.
Allocations Committee Report

Mr. Rob Jones asked Ms. Kirk to give the following report:

Board Members:

Our committee has continued to monitor the District’s financial position as we move to what we all hope is the end of the recession. As noted in the Treasurer’s report, revenue for the first four months of the year trailed the same period last year by 2.3%. The budget assumed that there would be decline in revenue of 5% during the first half of the year so we are within budget at this time. To assist assets and given that we were within budget, the annual grant payments were released one month earlier than originally scheduled.

We will continue to look at revenue trends and report to the board at the June meeting on the District’s ability to implement the 2010 budget as planned.

During the past year staff has taken a number of steps to make sure assets understand the District’s revenue picture. While this should be done as a matter of good public policy, it is also designed to encourage assets to look at ways to diversify their revenue base in whatever way is appropriate and possible for them. We feel so strongly about this need that we are considering adding “revenue diversification” as a separate evaluative criterion in the 2011 grant program. The current criteria include governance, programming and diversity.

The committee has also begun to look at other budget policies for 2011. At this point we do not see any changes in the current eligibility requirements or grant program structure including the closure for at least another year of the discretionary capital grant program. The reserve funds we typically use to fund this program are needed to sustain our operating grant efforts. The outline of the current program is attached to this report. Our committee is also recommending that we continue the practice of having an Advisory Board panel evaluate requests from applicants who have not been funded by the District in the past. This brings an important community perspective to our work.

We solicit the comments of the Board, Advisory Board and public on these matters and will consider all suggestions before making a final recommendation at our next meeting.

Submitted by

Allocations Committee
Dan Griffin, Dusty Kirk, Stan Parker
Mr. Pierchalski expressed concern that adding revenue diversification might result in the District micromanaging assets since the ability to diversify varied among the assets. Mr. Griffin said that assets would be evaluated by diversification consistent with their mission and recognizing individual limitations. Ms. Kirk said that she believed it was not a question of micromanaging but rather working to make sure assets were not dependent on District funding. Mr. Griffin added that the committee would look at diversification as adding to an asset’s evaluation rather than taking away.

The chair thanked members for their input and asked the committee to continue working on the 2011 plan.

**Executive Director’s Report**

Mr. Donahoe reported that he had not finished his investigation into acquiring a new employee benefits management company. He hoped to have a finalized report for the Board at its next meeting.

**Adjournment**

Mr. Jones reminded the members of the Advisory Board that their views were always welcome either through staff or directly to board members.

As there was no further old/new business, Mr. Rob Jones adjourned the meeting at 5:15pm.

Submitted by,

David L. Donahoe
Assistant Secretary