Allegheny Regional Asset District
Board of Directors Meeting
Regional Enterprise Tower
O’Neill Conference Room
February 23, 2010

The Board of Directors met at 3:30 PM on Tuesday, February 23, 2010 at the Regional Enterprise Tower in the O’Neill Conference Room. Present were Board members: Ms. Dusty Kirk, Chair, Mr. Rob Jones, Mr. Dan Griffin, Dr. Herman Jones, Jr., Mr. Stanley Parker, Mr. Rick Pierchalski, and Ms. Connie Yarris. Chief Counsel Jim Norris, Executive Director, David Donahoe, 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.

The Chair stated that the District had been notified that Mayor Ravenstahl of Pittsburgh had reappointed Mr. Stanley Parker and Mr. Rob Jones to serve an additional term on the Board. Ms. Kirk congratulated both on their appointment.

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

Public Hearing and Comment Period

As required by law, the Chair opened the meeting for public comment prior to proceeding with the agenda.

Mr. John Weinhold of Pittsburgh asked the board to devote more money to all libraries and expressed concern with funds dedicated to sports stadiums, which he felt benefitted the private tenants of those facilities.

Mr. Harry Liller asked the board to continue funding Soldiers and Sailors. He stated that the veterans deserve more respect and honor from the county.

Minutes

The December 1, 2009 minutes were previously distributed to the Board members.

There were no corrections or additions to the minutes of the December 1, 2009 meeting. Mr. Pierchalski moved approval with Ms. Yarris seconding the motion and the minutes were unanimously approved.
Mr. Parker gave the following report:

**Treasurer’s Report**

Board Members:

Tax revenue through the first two months of this year totals $14 million compared to $14.4 million for the first two months of last year. This is a year to date decline of 2.9%. While January was off by 6.6% from a year ago, February revenue covering December sales was even with last February thus narrowing the year to date loss. The District closed the books on 2009 in early January and our accounts have already undergone field work examination by independent auditors. Their report is expected shortly for review by the Audit Committee and the full Board. Staff is preparing the District’s annual report including program highlights as well as the audited financial information which will also be posted on line.

Total revenue for 2009 was $78.8 million which was down 2.6% from the previous year but better than budget which assumed a 5% reduction for the year. This was the largest year to year revenue decline in the District’s history. Interest earnings for the year totaled $174,900 or $555,000 lower than the prior year as a result of the rapid reduction in interest rates we saw during 2009.

Despite the revenue issues last year, the District met all of its grant commitments with the availability of reserve funds. In addition to the amount received by RAD for asset grants, Allegheny County government received $39.4 million in sales tax last year and an equal amount was distributed among eligible municipalities.

Either the Executive Director or I are available to answer any questions.

Submitted by

Stan Parker, Treasurer

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

Ms. Kirk stated that there were no committee reports for this evening.
Executive Director’s Report

a. Mr. Donahoe asked for Board approval to continue the online application project and to continue using Olszak Management Consulting Services to assist in that project at a cost not to exceed $10,000. Funds were provided in the 2010 general fund budget. In answer to a question from Ms. Kirk, Mr. Donahoe stated that the project would have to be done in segments as there were insufficient funds in the 2010 budget to complete the work. Mr. Parker motioned for approval with Ms. Yarris seconding the motion. The motion was unanimously adopted by the Board.

b. Mr. Donahoe presented the following nominees for appointment to the District’s Citizen’s Advisory Board for four year terms through December 31, 2013:

1. Christopher W. Cahillane, attorney with Tucker Arnesberg, and is President of the Board of the Mt. Lebanon Library.

2. Dina Clark is the Executive Director of the W. Pa. Diversity Initiative and is from Pittsburgh.

3. Chaz Kellem, Manager of Diversity initiatives for the Pittsburgh Pirates and is from Pittsburgh.

4. Anthony Macklin, consultant to non profits and formerly Program Officer and Associate VP with the Central Indiana Community Foundation and is from Pittsburgh.

Ms. Yarris motioned for approval of the four to be members of the Citizen’s Advisory Board with Mr. Griffin seconding the motion, which was unanimously approved by the board.

c. Mr. Donahoe provided the Board with an update on activities since the last meeting including the completion of the audit, work with the Library Committee and an upgrade to the communications program.

d. Mr. Donahoe introduced the request of Carnegie Library to proceed with consideration of a refinancing of the 2002 bond issue. He said that while the bonds were not District debt, the District had extended the minimum funding guarantee of the Carnegie Library to accommodate the issue. In the agreement to cover the change, there was a provision that the District had to give written approval to any refinancing.

Dr. Barbara Mistick, Library Director, Linda Barsevich, CFO of the Library, Jason DiMartini of PNC Capital Markets and Bond Counsel Tom Trimm from the firm of Pepper Hamilton were present to answer questions from the Board.

Ms. Kirk announced that she would recuse herself from any vote on the issue as her firm was selected as bond counsel.
Dr. Mistick informed the board that the Carnegie Library Trustees had approved the bond refunding as long as there was savings of 2.75%.

Ms. Barsevich informed the Board that the market was favorable to refunding the 2002 bonds at the present time. There would be a savings of $400,000, or about 3.3% with all of the savings taken up front to help fund the library’s capital program. On the advice of counsel, they have determined that the funds have to be used for capital projects. The debt service will remain consistent.

In response to questions from Mr. Pierchalski, Mr. DiMartini said that the total debt would increase but the annual payments would remain the same since interest payments would decrease. He noted that some of the savings are the result of there being no requirement to purchase securities, which is often the case on refinancing.

Mr. Pierchalski asked if Carnegie Library had taken proposals from other firms for this matter. Ms. Barsevich said that she had been working with PNC and while there had been an inquiry from another firm, they had selected PNC for this project.

Mr. Pierchalski said he would not vote to approve the matter unless there was some competition. He said that the amount of fees was negotiable and, therefore, Carnegie Library needed to test the reasonableness of the proposal. Mr. DiMartini said that PNC was very experienced in selling RAD backed securities having worked on the stadium and arena projects. Further, as a local corporate citizen they were very interested in assisting Carnegie Library in meeting their financial goals.

In response to questions from the chair, Jim Norris felt the board needed more specifics before voting on this project and that six votes were needed to vote on this request.

Ms. Yarris asked if the Library could proceed without a formal vote at this time.

Mr. Parker stated that he was very pleased that the library was making an effort to inject more cash into its system and that the Board should approve the action of the Carnegie Library Trustees.

Mr. Rob Jones stated that he thought PNC deserves some weight for coming forward with this idea but thought the Board did require additional information.

Mr. Griffin asked what the Library would do if they were able to secure private funding to assist with the debt. Mr. DiMartini said that he would recommend any new funds be used for new construction.

In response to questions from the Chair and others, Mr. Trimm noted that it was likely they would have to appear before the Board again for more specific approvals. He also noted that it was very normal for refinancing to be undertaken by a selected firm rather than on a competitive basis. They will be meeting with the Industrial Development Authority (the issuer of the debt) in mid March and hoped to have all approvals at that time.
As there were not enough votes to approve the request, Ms. Kirk said that a special meeting could be called if and when Carnegie Library had additional details/proposals for review.

**Election of Officers**

Ms. Kirk stated that the bylaws provide for the election of four 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 elected serve until the next annual meeting.

The bylaws do not outline a procedure for the election, so the District follows the “floor nominations” procedure outlined in Roberts Rules of Order.

Ms. Kirk stated that most Board Chairs have only served for two years and she wished to carry on with that tradition.

Ms. Kirk opened the floor for nominations for the office of Board Chair.

Mr. Pierchalski nominated Mr. Rob Jones to be Chair. There were no other nominations so the nominations were closed. The Board voted unanimously in favor of Mr. Rob Jones becoming Chair for 2010.

Ms. Kirk turned the meeting over to the newly elected Chair, Mr. Rob Jones. Mr. Jones thanked Ms. Kirk for her service to the Board.

Mr. Rob Jones then opened the floor for nominations for the office of Vice Chair.

Mr. Pierchalski was nominated by Dr. Herman Jones, Jr. As there were no other nominations, Mr. Rob Jones closed the nominations. This was followed by a unanimous vote in favor of Mr. Pierchalski serving as the Vice Chair for 2010.

Mr. Rob Jones called for nominations for Treasurer/Secretary.

Ms. Yarris nominated Mr. Parker to remain serving as Treasurer/Secretary. As there were no other nominations, the nominations were closed. The Board unanimously approved the election of Mr. Parker to remain as Treasurer/Secretary.

At Mr. Griffin’s recommendation, the board unanimously re-elected the Executive Director as Assistant Secretary/Treasurer.

**Appointment of Committees**

Mr. Rob Jones proceeded to the appointment of committees.
Mr. Rob Jones appointed Mr. Griffin, Ms. Kirk and Mr. Pierchalski to the Allocations Committee. All Board members voted to approve the committee assignments.

Mr. Rob Jones appointed Mr. Griffin, Dr. Herman Jones, Jr., and Mr. Pierchalski to the Library Committee. The Board voted unanimously to approve the committee assignments.

Mr. Rob Jones appointed Dr. Herman Jones, Jr., Mr. Parker and Ms. Yarris to the Audit Committee. There was unanimous approval for the committee assignments.

Mr. Rob Jones asked for volunteers for the Connection Committee: Mr. Griffin, Ms. Kirk and Ms. Yarris all volunteered to work on this committee. The Board voted unanimously in favor of the Connections Committee.

Adjournment

As there was no further old/new business, Mr. Rob Jones adjourned the meeting at 5:00pm.

Submitted by,

David L. Donahoe
Assistant Secretary