The Board of Directors met at 4:00 PM on Monday, March 30, 2009 in the A. E. Hunt Conference Room on the 23rd floor of the Regional Enterprise Tower. Present were: Chair, Ms. Dusty Kirk, Mr. Rick Pierchalski, Mr. Dan Griffin, Mr. Stan Parker, Ms. Connie Yarris, Mr. Rob Jones, Chief Counsel, Mr. Jim Norris, Executive Director, Mr. David Donahoe and staff as well as members of the public. Notice of the meeting and the agenda was published in accordance with the Act and By-laws and posted on the ARAD Website.

**Public Comment/Hearing Period**

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

Glenn Walsh of Mt. Lebanon expressed his concern that the Regional Asset District would assist in the formation of an Allegheny County Library District, which he said had been proposed by a speaker at a prior meeting. He asked that such a proposal be subject to public input before final consideration. Chair Kirk said that no proposal had been submitted to the District but that if it were considered there would be a process for public input.

**Minutes**

The first item on the agenda was consideration of the minutes from the meeting of February 10, 2009, which were previously distributed to the board. Mr. Griffin motioned for approval with Ms. Yarris seconding and the minutes were approved unanimously.

**Treasurer’s Report**

Ms. Kirk called on Mr. Parker to give the following Treasurer’s Report:

Board members:

Tax revenue for the first three months or first quarter of the year total $20.2 million or 2% less than the first quarter of 2008. The Allocations Committee has examined the numbers in the context of the 2009 budget and will report later in the meeting.

As previously reported, interest earnings have fallen below the average 1.5% we used in preparing the 2009 estimate. Therefore, based on the first quarter results, we are now projecting that interest earnings for the year will be about $80,000 less than the $300,000 budgeted. We will continue to look at timed investments to improve that return. Hopefully, these lower rates will encourage economic activity and make up the shortfall in actual tax revenue.

Grant expenses for the quarter total $19.5 million are consistent with budget. To assist assets with cash flow, the first quarterly payments were released in March instead of April.

Submitted by

Stan Parker, Treasurer
As there were no questions from the Board, the Chair asked that this report be received and filed.

**Audit Committee Report**

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

Board Members:

The Audit Committee met on March 16, 2009 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. **2008 Audit**

Board members have received a copy of the 2008 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 R. John Sommers, CPA and Robert Feltovich, CPA, auditors from McKeever Varga & Senko. Mr. Feltovich said there were no disagreements with management and no deficiencies were noted. This means that the financial statements prepared by management accurately reflected the financial condition of the District at December 31, 2008. The District is in compliance with current standards for presentation of financial statements by government entities.

2. **2009 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 Allegheny County Library Association, Upper St. Clair – Boyce Mayview Regional Park, Western Pennsylvania Historical Society and Society for Contemporary Craft for review this year. The estimated cost for the project is $7,500.

Submitted by

Audit Committee
Dan Griffin, Dusty Kirk and Rob Jones

Ms. Kirk stated that the Audit Report was available for public inspection in the office and on the District’s web site.

**Allocations Committee Report**

Ms. Kirk asked Mr. Griffin to give the report of the Allocations Committee.

Board Members:

As requested by the Chair, our committee has continued to monitor the District’s financial position as we move through the current recessionary period.
Based on the final 2008 revenue of $80.9 million, the 2009 budget estimate of $76.6 million represents a 5% reduction in tax revenue for the year. As the Treasurer reported, tax revenue is now 2% below the first quarter of 2008. While this is better than we anticipated, we should point out that the most recent months, February and March saw revenue declines of 4.6% and 3.8% respectively indicating a negative trend. While reports indicate that retail sales may be rebounding somewhat, much of that gain is for items that are not taxable in Pennsylvania and would not produce revenue for the District. For example, auto sale taxes that represent about 15% of the District’s yearly revenue were off 27% in March from the same month last year.

After analysis of all of the factors, our committee believes that we do not have enough actual results to make a final recommendation on 2009 funding levels. The Board decided to withhold 10% of operating grants and delay implementation of capital grants and reexamine our position in June. Given the information we have now, the committee is recommending that the District stay on that initial course.

We have directed staff to communicate with assets about our finances so they can understand the context of our decisions and make whatever adjustment they feel are appropriate for their organization. In addition to written and web site communication, staff has been meeting the major assets and recently participated in a funders forum held by the Greater Pittsburgh Arts Council to explain how we are proceeding and why.

During that forum we learned that other public funders have had to delay release of grant funds already this year. To assist assets and given that we were within budget for the quarter, the first annual grant payments that were to be released on April 16 were released on March 16.

The committee has also begun to look at policies for 2010 although we recognize that how we settle the 2009 budget will play an important role in looking at next year.

Submitted by
Allocations Committee

Dan Griffin, Stan Parker, Rick Pierchalski

In response to Mr. Pierchalski’s question, Mr. Donahoe responded that he had not received any distress calls from assets in regard to the District holding 10% of their grants. Mr. Donahoe added that of the assets he had visited most were more concerned with 2010 funding.

The Chair stated that there was no action required on this report so it will be received and filed.

**Connections Committee Report**

Ms. Kirk stated that at the last board meeting, the Connection’s Committee submitted a proposed project grant program for the Board to consider. The Connection’s Committee met again in March and at this time has two recommendations to place before the Board at this time.

Ms. Kirk gave the following report:

Board Members:

In adopting the Year 16 report in February, the Board included the following language on shared services:

1. *The District will consider, as funds are available, the creation of a new and adequately funded project grant program to foster asset connections. This program would be operated separately from the regular operating grant program to take advantage of opportunities and needs as they arise. The program would consider requests from third party organizations willing to facilitate shared service programs for and on behalf of assets.*
2. The District should give additional weight to shared service achievements when evaluating and setting operating grant levels.

At the same meeting this committee released the draft of the proposed grant program. Although we recognize that a determination on the availability of funds for the program needs to wait until later this year, we are recommending that the District adopt the program guidelines now so that the staff can have the program ready as soon as funding is available. The only change in the draft is a provision that if the program is initiated in 2009, applications may be submitted during any quarter. As originally proposed, there would be no application allowed during the regular application cycle. The outline of the program is attached to this draft.

At a recent meeting of the Greater Pittsburgh Arts Council, a significant number of cultural organizations indicated that they will be looking seriously at shared service arrangements as one of the ways to deal with current economic issues. Obviously, there is no better time to consider requests that will result in real overhead savings. In addition to setting up the grant program, we are also recommending that the Board adopt as a matter of policy the addition of shared service as one of the evaluation criteria for the 2010 grant program. Presently the District advises assets that three criteria will be evaluated: programming, management and diversity. We are recommending that the Board add a fourth criterion, shared service efforts. The committee recognizes that not all assets may be in a position to participate in such arrangements and should not be penalized if that is the case. On the other hand, assets that actively pursue such arrangements should be encouraged to do so.

Serious efforts to maintain asset service through shared services must be supported and recognized if we are to achieve the District’s stated policy goal. The committee believes that adopting and funding the grant program as well as including shared services in evaluative criteria are major steps toward that goal and we recommend approving them at this time.

Submitted by
Connections Committee

Dusty Kirk, Dan Griffin, Connie Yarris

Ms. Kirk called for a motion to approve the Connection’s Committee Report and asked if there were any questions. Ms. Yarris motioned approval with Mr. Pierchalski seconding the motion which was unanimously approved by the Board.

Library Committee Report

Ms. Kirk asked Mr. Pierchalski to present the report of the Library Committee.

Board Members:

The committee met in early March at the West End Service Center of the Carnegie Library of Pittsburgh (CLP). In addition to a number of back office functions, the center houses the countywide material distribution center operated by CLP on behalf of all libraries. In 2008 the District funded a project to begin automation of the center and we were able to see the system in operation.

In a year 4.2 million books and materials move through the center. Patrons request materials on line or at a library and they begin to move from one library to another with a stop at the “hub” in the West End. Once a completely manual system, the new sorting machinery has significantly increased the efficiency and reduced...
wait time. While a great help, the system is only 50% complete and would require an additional investment of $250,000 to complete.

In addition to touring the facility, the committee met to review the finances of CLP as well as the impact the proposed state budget will have on local libraries. While state library funding comes from a number of grant programs, essentially the state is proposing to reduce its support of libraries by 5%. For Carnegie Library alone this could mean a reduction of about $230,000 in state funding. While most municipal support budgets are set for 2009, state and RAD funding are not final presenting a challenge for libraries dependent on public support.

On another matter, our committee continues to follow the formula project at the Allegheny County Library Association. After about a year and a half of effort, a proposed formula has been placed on the table for comment. A general membership meeting was held in January and the committee is now reviewing comments for further changes. The draft does include changes that the District requested including increased emphasis on population as a factor and assistance for distressed libraries.

Under the current calendar, the formula proposal is slated to be approved at a June meeting and would then be submitted to the District with the 2010 budget submission. Under the agreement with ACLA, the District must approve the formula for it to be implemented. The committee will continue to monitor the project.

Submitted by
Library Committee
Herman Jones, Rob Jones,
Connie Yarris, Rick Pierchalski

No action was required by the Board, therefore, Ms. Kirk asked that this report be received and filed.

In response to Mr. Griffin’s question, Mr. Donahoe said that he had received some feedback concerning new ACLA proposal process. The most significant concern was the removal of the local government support factor which causes major shifts in funding totals. Mr. Rob Jones commented that this proposal would affect less affluent areas such as Wilkinsburg which gave major support to its local library. He also said that the way population is being counted may not reflect the actual service a library provides. Mr. Pierchalski requested that staff issue a monthly update of the proposed new ACLA formula to the Library Committee.

Executive Director’s Report

The Chair called on Mr. Donahoe to give his report.

Mr. Donahoe recommended that the District adopt its own Diversity Plan and submitted a proposal for the Board and counsel to examine. If adopted it could assist in communicating the new diversity plan requirement to applicants.

The following Diversity Plan, Statement of Principle was presented by Mr. Donahoe for the board to consider and vote on at another board meeting:

The Allegheny Regional Asset District operates the agency and its programs in a way that allows all District residents to participate in employment, purchasing and contracting, volunteer service and grant programs. This is the spirit and intent of the governing act and the commitment of board and staff.
On October 1, 2008 the District Board updated its Diversity Policy reaffirming its commitment to diversity and inclusiveness among regional assets. To achieve its full mission while continuing to give full access to its activities, the District commits to the following plan:

**Goal 1: Provide timely access to information about employment opportunities with the District.**

**Strategies:**

1. Post all District employment opportunities on the district web site.
2. Advertise postings in daily papers as well as targeted media.
3. Contact agencies offering employment referral services to minorities about employment opportunities.
4. Notify assets, advisory board members and other constituents and request referrals.
5. Post all District employment opportunities with other job availability sites and resources.

**Goal 2: Afford all District businesses and particularly MBE/WBE/DBE businesses access to information about purchasing and contracting activities.**

**Strategies:**

1. As purchasing/contracting opportunities arise, search MBE/WBE/DBE data bases for firms qualified in the area and notify them of the opportunity.
2. List opportunities on District web page.
3. Notify referral agencies of opportunities.
4. Publish and circulate information on opportunities with the District as well as funded assets.
5. Sponsor and/or participate in trade fairs and other program designed to inform businesses about opportunities.
6. Disseminate information on MBE/WBE/DBE to funded assets.

**Goal 3: Promote diversity in the appointment of the Advisory Board and other posts under the control of the Board.**

**Strategies:**

1. Recruit candidate’s representative of the population of the county for seats on the Advisory Board via notifications to community groups, assets, web postings. Include these prospective candidates in nomination pool.
2. Recruit candidates for the at large member seat on the board via notifications to community groups, assets, web postings. Include these candidates in the nomination pool.
3. Consider diversity as a criterion when citizens are appointed to panels, committees.

**Goal 4: In addition to seeking applicants representing diverse populations, include diversity as part of the evaluation process.**

**Strategies:**

1. Maintain contact with other funders for information about emerging assets and notify these organizations about the District program.
2. Outreach to the community for potentially eligible assets.
3. Announce through general as well as targeted media the availability of applications.
4. Require submission of Diversity Plans with applications and consider diversity as an evaluative element.
5. Consider increase support for emerging assets as they prove viability and increased service.
Ms. Kirk stated that the Executive Director will be charged with implementing this plan and shall report annually to the board on what actions have been taken under each goal. A vote will be taken at the next Board meeting.

**Old/New Business**

Ms. Kirk asked that Staff find dates for board meetings that would accommodate all members’ schedules.

The next meeting will be a board/advisory board meeting to be held at the Heinz History Center with the date to be determined.

As there was no old or new business brought before the board, the meeting was adjourned at 5:00pm.