Allegheny Regional Asset District
Board of Directors Special Meeting
Regional Enterprise Tower
September 8, 2009

The Board of Directors met for a special meeting at 5:00 PM on Tuesday, September 8, 2009 at the Regional Enterprise Tower 31st Floor. Present were: Chair, Ms. Dusty Kirk, Mr. Dan Griffin, Mr. Rob Jones, Dr. Herman Jones, Mr. Stan Parker, Ms. Connie Yarris, Chief Counsel Jim Norris, Executive Director David Donahoe and staff as well as members of the public. Notice of the meeting was published in accordance with the Act and By-laws.

Public Comment/Hearing Period

As required by law, Chair Dusty Kirk opened the meeting for public comment prior to proceeding with the agenda. Mr. John Weinhold of Beechview addressed the board on the importance of libraries and urged continued support for the Carnegie Library of Pittsburgh.

Allocations Committee Report

Ms. Kirk then called on Stan Parker to submit the report of the Allocations Committee:

Board Members:

The Committee has reviewed the tax revenue received by the District since our last report. August revenue, representing June sales, was $7.4 million, essentially equal to the same month last year. The preliminary report on September revenue representing July sales is that it will be $6.7 million or about 2.9% less than the revenue received in September, 2008. Year to date, revenue is now at $59.6 million or 2.5% lower than the same period last year.

The committee has taken these numbers and projected the full year under several scenarios. Our conclusion is that even if the District experiences a sharp decline in the last quarter, it should still meet its 2009 budgeted revenue of $76.6 million.

We are recommending that the District fully implement the 2009 budget. This would include the release of the withheld 10% of operating grants and the release of discretionary capital grants. This adds up to $6.6 million of potentially withheld funds that will now be released.

While meeting our original budget plan is good news, we need to caution that a projection for 2010 is not yet complete and there are signs that consumer activity remains somewhat inconsistent although generally cautious. For example, sales on regular items were actually down by 7% in July but auto sales taxes were up 38% compared to last year. For the prior month sales activity in both categories were about the same as the prior year.

What is clear is that there is no upward trend in sight and assets anticipating RAD support should continue to develop conservative budgets and contingency plans. We have utilized our reserve funds as intended to stabilize grants during an economic downturn but this cannot be an indefinite practice. In preparation of the preliminary budget report, the committee is consulting tax and economic forecasters and will have a 2010 revenue estimate with the preliminary budget later this month.

We thank the Board and the assets for working with us during this unprecedented time and ask the Board to adopt this recommendation and authorize staff to take steps to release the funds over the remainder of the year.

Thank you.
The Chair thanked the committee for its work and asked if there were questions or comments. Hearing none, she asked for a motion to approve the report and recommendation. Ms. Yarris moved, seconded by Mr. Rob Jones and the motion was passed 6-0.

There being no further business, the special meeting was adjourned at 5:15 PM.