Allegheny Regional Asset District  
Board of Directors Meeting  
February 26, 2007 

The Board of Directors met at 5:00 PM on Monday, February 26, 2007 at One Smithfield Street in the Simmons Board Room. Present were Board members: Mr. Rick Pierchalski, Chairman, Mr. Rob Jones, Mr. Dan Griffin, Mr. Stanley Parker, Ms. Dusty Elias Kirk, and Ms. Connie Yarris. Chief Counsel Jim Norris, Executive Director David Donahoe and staff as well as members of the public were also present. Notice of the meeting was published in accordance with the Act and By-laws and on the ARAD Website.

Mr. Pierchalski stated that the meeting would constitute the annual meeting and officers will be elected.

**Public Hearing and Comment Period**

As required by law, the Board opened the meeting for public comment prior to proceeding with the agenda. In addition, there were two amendments to previous actions that must be subject to public hearing.

The Executive Director listed the first item subject to public hearing as an amendment to the Allegheny County Library Association (ACLA) 2007 distribution formula by adding a hold harmless provision. The second item was a change in purpose to the 2007 McKeesport Capital Grant. In addition to ball field improvements, they now want to build a concession stand with the plumbing in place for the restrooms, which would be completed next year. Mr. Griffin asked for the estimated cost to complete the restrooms. Mr. Jim Brown, Recreation Director from McKeesport estimated that the build out costs would be $30,000.

There was no testimony on the two amendments. Mr. Pierchalski called for other public comments.

Glenn Walsh of Mt. Lebanon was pleased that the Board had requested a performance audit for ACLA and suggested that the scope of the engagement include a requirement for public meetings in each library region. He also suggested that the Carnegie Library of Pittsburgh undergo a similar audit and requested that the turnover rate criterion be eliminated from the ACLA formula to stop the discarding of books and other library materials from county libraries.
Minutes

There were no corrections or additions to the minutes of the November 26, 2006 meeting. Ms. Yarris moved approval with Ms. Kirk seconding the motion and it was 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 million, about 1% less than the total for the same period last year. January revenues were down some 6% from last year but February returns made up a good portion of that difference. February returns reflect the bulk of holiday related sales that took place in December. The numbers are on target with the 2007 budget that assumed no growth in tax revenue this year.

About 80% of the grant agreements to implement the 2007 budget have been fully executed. The outstanding are mostly capital grants agreements that require additional exhibits before final execution.

The District’s independent auditor completed field work on the 2006 audit in January. We expect a report to be issued shortly. It will be reviewed by the audit committee and submitted to the Board at the next meeting.

Stanley J. Parker, Treasurer

Mr. Griffin asked whether 2007 collections referred to in the report were ahead of the previous year. Mr. Donahoe said that 2006 collections were ahead of the previous year. As there were no more questions, the Chair directed that the report be received and filed.

Election of Officers

Mr. Pierchalski stated that the by laws provide for the election of four officers, Chairman, Vice Chairman, Secretary and Treasurer. The board may appoint assistant officers either from the board or staff as it sees fit. The officers elected serve until the next annual meeting.

The by laws do not outline a procedure for the election, so the District follows the “floor nominations” procedure outlined in Roberts Rules of Order. Mr. Pierchalski explained he will call for nominations for each office. Once all
the nominations are received, a roll call vote will be taken if there is more than one nominee for the office. A member receiving a majority of votes of those present is elected.

Mr. Pierchalski opened the floor for nominations for the office of Chairman.

Mr. Griffin nominated Mr. Pierchalski to be Chairman and there were no other nominations. The Board voted unanimously in favor of Mr. Pierchalski remaining as chairman.

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

Mr. R. Jones was nominated by Mr. Pierchalski to remain as Vice-Chairman and there were no other nominations. This was followed by a unanimous vote in favor of Mr. R. Jones remaining as Vice Chairman.

Mr. Pierchalski called for nominations for Secretary.

Mr. Jones nominated Mr. Griffin to be Secretary and as there were no other nominations the Board unanimously approved the election of Mr. Griffin as Secretary.

Mr. Pierchalski called for nominations for Treasurer.

Ms. Yarris nominated Mr. Parker to remain as Treasurer. The Board unanimously approved Mr. Parker remaining as Treasurer.

Mr. Pierchalski informed all that in order to certify the minutes and attest documents, he recommended the re-election of the Executive Director as Assistant Secretary/Treasurer. This does not in any way change the signing requirements outlined in the administrative procedures. The Board unanimously approved Mr. Donahoe to remain as Assistant Secretary/Treasurer.

Appointment of Committees

Mr. Pierchalski informed all that the by laws provide for the appointment of committees. In the past the District worked through three standing committees, Allocations, Library and Audit and a liaison with the Advisory Board. Other committees are appointed on an as needed basis. The Chair is given the duty to assign committees subject to approval of a majority of the Board.
Mr. Pierchalski appointed Mr. Griffin, Mr. R. Jones and Ms. Yarris to the Allocations Committee. All Board members voted to approve the committee.

Mr. Pierchalski appointed Mr. Griffin, Mr. Parker and Ms. Kirk to the Library Committee. The Board voted unanimously to approve the committee.

Mr. Pierchalski appointed Ms. Yarris, Mr. R. Jones and Dr. H. Jones to the Audit Committee. The Board voted unanimously to approve the committee.

Mr. Pierchalski appointed Dr. H. Jones to be the Advisory Board Liaison. The Board voted unanimously to approve this appointment.

**Library Committee Report**

Ms. Yarris gave the following report:

Board Members:

Last November the Board authorized the continuance of the existing library distribution formula for another year while an independent consultant assisted in evaluating formula issues.

The Allegheny County Library Association subsequently agreed to this decision but requested that the District allow it to adjust the distribution so that no library would receive in 2007 less in state and RAD funds than it received in 2006.

We believe that this is a reasonable request that results in a shifting of less than $10,000 within a $7.8 million total grant. We are therefore, recommending that the District approve the request as an amendment to the resolution adopted November 27, 2006.

We can also report that the committee reviewed and approved a scope of services for the consultant and ACLA issued a request for proposals which were due last week. They are currently being reviewed.

Submitted by
Library Committee
Dan Griffin, Stan Parker and
Connie Yarris

Ms. Yarris motioned to amend the 2007 ACLA distribution formula in accordance with this report with Mr. Griffin seconding the motion. The Board was unanimous in its approval.
Executive Director’s Report

a. Submission of ACLA’s Long Range Plan

Mr. Donahoe directed everyone’s attention to ACLA’s long range plans which follow. Ms. Marilyn Jenkins of ACLA was present to answer any questions.

Allegheny County Library Association (ACLA)

Introduction
ACLA’s long term plan was prepared by a committee of its board and approved by the board. The plan was also presented at a general membership meeting and approved by the members in 2005. Progress is reviewed at board meetings.

Mission Statement
ACLA’s mission is to pursue, provide and promote the highest quality public library service through collaboration, cooperation and coordination.

Strategic Plan/Direction
The goals are similar to the prior plan and focus on elevating library performance to higher standards, increasing collaboration among member libraries, increasing and diversifying funding, expanding access to service and increasing awareness of library service.

Goals and Objectives
A specific listing of objectives along with time frames followed each goal. Progress has been made on many of the goals during 2006 and is noted below in italics.

Some of the goals include:
• Present revised formula in 2006 (consultant will review in 2007)
• Adopt established standards by General Membership in January 2006 (implementation delayed one year)
• Establish a standing committee on innovation and best practices in 2006 (committee has been meeting – some ideas include a pilot family literacy program and Public library/school library partnership)
• Identify geographic and demographic gaps in library service during 2007
• Administer a library user survey (completed in 2006 with results reviewed in 2007)
• Evaluate holding a special event fundraiser in 2007
• Have all libraries operating at baseline system standards by 2008
• Generate 2% of total annual revenue from private and corporate sources by 2010

Comments
The goals listed above plus the ones included in the plan are specific with time frames and directly relate to the general direction of the organization.
Revenue and Expenditure Projections

Revenues
The major sources of revenue are District and state funds. ARAD funding is projected to increase 3% annually. State aid grows by 3.5% in 2006 and then 5% in 2007-2010. State aid is $4.3 million in 2006 and increases to $5.3 million in 2010. ACLA included system branch revenue from its administration of Robinson Township Library. It was anticipated that revenue of $130,000 from the Township would start in 2006 but the opening of the library was delayed until 2007.

Expenses
The basic services distribution formula component increases from $4 million to $4.6 million by the end of the plan. Expenses for the eiNetwork increase 3% annually from $2.3 million in 2006 to $2.6 million in 2010. The spending plan includes a replacement fund for bookmobiles starting in 2007.

Technology Plans
ACLA included a technology plan prepared by the eiNetwork staff. The plan included the current state of technology equipment in the libraries. The eiNetwork was incorporated as a 501 C (3) in 2002 with two equal members; ACLA and Carnegie Library. EiNetwork serves 44 public libraries at 87 sites and supports about 2,000 desktop computers that serve both patrons and staff. Individual libraries are responsible for replacement of obsolete technology. The eiNetwork secured a leasing program for libraries that helps ensure long-term sustainability. Volume purchasing is used to reduce costs of computers and other network equipment. The eiNetwork plan includes new technology initiatives and plans for professional development. The eiNetwork is working on a three-year strategic plan that will include governance issues at the request of the District.

Staff Recommendation
Staff recommends approval of ACLA’s plan.

Analysis of Prior Plan
The main goal of the prior plan was to improve library service by looking at other models for service, doing an inventory of existing service and establishing a base line of service.

ACLA took over operation of the bookmobile from the Carnegie Library in 2003 and changed its focus. Municipalities pay a fee for general community stops. The District provides funds for special populations, seniors and preschoolers.

ACLA has attempted to connect service standards with its funding from the District and the State. A task force made up of board and library directors have been working on this for several years. Because it is a membership organization, it needs the approval of the libraries to make changes. After many years of essentially the same funding formula, ACLA presented a revised formula to its members in 2005 but it was tabled. In 2006, ACLA revised the formula and while the membership approved it in May, the State issued a ruling that resulted in ACLA submitting a revised formula to the District. The District Board did not approve ACLA’s new formula. In
2007, at the District direction, ACLA is undertaking an independent review of the formula.

ACLA achieved the goal of 100% library participation in its federation. Upper St. Clair Library joined the federation in 2004.

During the prior plan, State funds were decreased. However in fiscal year 2007, the State restored funding to the 2002-03 level. In addition, ACLA as a federated system is able to access state funds for a variety of programs.

A goal to diversify revenue was accomplished. ACLA was the lead agency in securing $3 million from local foundations to upgrade and expand the eNetwork infrastructure.

Other goals were to promote a more public identity for ACLA and to promote the value of libraries. A marketing campaign, to increase number of library card holders, resulted in 7,000 new library card holders. ACLA developed a public service announcement. Also, ACLA developed a countywide program called "One Book, One Community" in 2003 that involves a variety of community partners and is held annually.

ACLA increased partnerships and collaborations, including working with several assets, like the Pittsburgh Opera, Kuntu Theater and Chatham Baroque to provide musical performances in libraries.

Following his presentation, Mr. Donahoe and Ms. Jenkins were asked about the response to the request for proposals from consultants to review the library formula. Five proposals were received and ACLA hoped to have a recommendation to the District Board in April. Field work by the chosen consultant will probably take 3 months and a final decision could take another 30 days depending on the scope of the recommendation. Ms. Jenkins stated that they could possibly have everything in order by October of this year. The Board expressed concern with the timeline in adopting the consultant’s recommendations and Mr. Pierchalski asked that efforts be made to move the process forward.

Approval of ACLA’s Long Range Plan was moved by Mr. Griffin and seconded by Ms. Kirk. The Board approved the motion unanimously.

b. Submission of Advisory Board Members for appointment and reappointment.

Mr. Donahoe submitted to the Board the following candidates to become Advisory Board members for appointment and reappointment for terms to expire December 31, 2010:
Reappointments

1. Susan Golomb, former Director of City of Pittsburgh Planning and community representative from Oakland.

2. John Detweiler, Human Service Manager and arts board consultant from Pittsburgh.

3. Mark Lynch, consultant from Sewickley.

New Appointments

1. David S. Huddleston, Vice President of Human Resources for PNC from Pittsburgh.

2. Dr. Gail Edwards, CEO and Principal, Urban League Charter School, Pittsburgh.

3. Winford Craig, IT Director, Pittsburgh.


Mr. Parker moved, seconded by Mr. Griffin that the recommended reappointments and new appointments be approved and the motion was carried unanimously.

c. Amendment to 2007 capital grant - McKeesport Regional Park

Mr. Donahoe presented for approval the amendment McKeesport Regional Park’s 2007 capital grant. Ms. Kirk motioned approval of the change in scope with the special restriction that McKeesport will commit to full build out and operation of project by the end of 2008 regardless of future District support. Ms. Yarris seconded the motion. Board approval was unanimous.

d. 2007 Graphic Design Services

Mr. Donahoe requested a confirming approval for additional graphic design services by Wall to Wall for the 2006 annual report and revised web site design. The Board had been previously polled on this topic and all voted in favor as they did with this confirming resolution.

e. Section 125 Cafeteria Plan
Mr. Donahoe asked approval of the Board for an addition of Section 125 cafeteria plan to District employee benefit program. There will be no cost to the District for this addition to employee benefits. It will allow pretax deductions for child care, dependent care or healthcare expenses. Mr. Griffin moved approval with Ms. Yarris seconding the motion. It was unanimously approved by the Board.

f. District Insurance Policies Renewal

Mr. Donahoe advised that the package of liability, workers compensation and directors and officers insurance was successfully renewed February 1, 2007 at a total cost of $10,825, which was a small increase over the previous year.

g. Chief Counsel/Auditor Selection Process

Mr. Donahoe informed the board that the current chief counsel contract will expire in May of 2007 and the audit firm contract will end December 31 and that he would need a decision from the board on how to proceed to secure these services. Mr. Griffin stated that the Board wished to keep the services of current chief counsel and directed Mr. Donahoe to secure a proposal from Mr. Norris for the Board to consider at a later meeting.

Old/New Business

Mr. Griffin commended Mr. Pierchalski for a job well done in 2006. Mr. Pierchalski announced that the next board meeting will be held at Phipps Conservatory on March 26.

Adjournment

As there was no further old/new business, Mr. Pierchalski adjourned the meeting at 6:00pm.