Allegheny Regional Asset District  
Board of Directors/Advisory Board Meeting  
March 26, 2007

The Board of Directors/Advisory Board members met at 5:00 PM on Monday, March 26, 2007 at Phipps Conservatory and Botanical Gardens. Present were Board members: Mr. Rick Pierchalski, Mr. Dan Griffin, Mr. Rob Jones, Dr. Herman Jones, Ms. Dusty Kirk, Ms. Connie Yarris, Counsel Dean Richardson, Executive Director David Donahoe and staff as well as members of the public and news media were also present. Present from the Advisory Board were Mr. David Graffam, Chair, Mr. F. Charles Spence, Ms. Cynthia Maleski, Mr. Richard Betters, Dr. Judy Bookhamer, Ms. Marlene Hogan, Mr. Winford Craig, Mr. Robert Frankel, Dr. Gail Edwards, Mr. Jonathan Cox, Ms. Liane Norman, Ms. Pam Golden, Mr. Charles Jarrett, Jr., Mr. Franco Harris, Ms. Marilyn Coleman, Mr. Davie Huddleston and Mr. G. Reynolds Clark. Notice of the meeting was published in accordance with the Act and By-laws and on the ARAD Website.

Mr. Pierchalski thanked the Phipps Conservatory and Botanical Gardens for hosting the meeting. Mr. Richard Piacentini, Executive Director of Phipps, extended a welcome to the Board/Advisory Board and spoke briefly about the new facilities and their contributions to the environment.

Mr. Pierchalski welcomed the members of the Advisory Board and thanked David Graffam for serving as Advisory Board chair and asked that he continue to do so for another year.

Mr. Pierchalski stated that last fall he charged several board committees with looking at not only what the District was doing but how it was doing it. The examination is referred to as the “Strategic Initiative Agenda”. He announced that the group would hear from several of the committees and get reaction from the Board and Advisory Board members.

**Public Comment Period**

Mr. Pierchalski opened the meeting for public comment prior to proceeding with the agenda.
Glenn Walsh of Mt. Lebanon asked the Board to use its influence to have artifacts associated with the Zeiss Telescope formerly housed at Buhl Planetarium returned to the old Buhl Building (now the Children’s Museum) to be put on display.

Minutes

There were no corrections to the minutes of the February 26, 2007 meeting. Dan Griffin moved approval with Rob Jones seconding and the minutes were approved unanimously.

Treasurer’s Report

In the absence of Mr. Parker, the following report was given by Mr. Donahoe:

Board Members:

Sales tax revenue received by the District in the first quarter of 2007 totaled $19.7 million, the same as received in the first quarter of 2006. The county government and municipalities divided an additional $19.7 million.

Although tax receipts from auto sales continue to fall behind last year, tax receipts from general sales made up the difference. Auto sales are an important component of the total revenue accounting for around 16% total revenue annually.

The first quarter receipt put the district on pace to achieve its projected 2007 tax revenue of $76.5 million. As a result and in order to assist assets during the winter months, the District advanced its annual grant payments by one month.

The District is also improving service to its monthly grant recipients as a part of its improvement program. Beginning in March all of the contractual assets and several others received their payments via electronic transfer rather than by check. With a special nod to Diane Hunt of our staff and Citizens Bank, the change worked very well without additional cost to the District.

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.

David L. Donahoe
Assistant Treasurer
There were no questions from the board so the Chair directed that the report be received and filed.

Mr. Pierchalski informed all that agreements with the contractual assets require that they engage in five year plan updates and submit them to the District for approval. This evening staff will present their analysis of the plan from the Carnegie Library of Pittsburgh.

The chair asked Mr. Donahoe for his report on Carnegie Library’s long term plan. Mr. Donahoe gave a brief overview of the following report:

**Introduction**

The Library’s long range plan process involved both staff and board members. The process included focus groups, surveys and board member planning sessions. The plan was approved at a September 2006 board meeting.

**Mission Statement**

The mission is “to engage our community in literacy and learning.”

**Strategic Plan/Direction**

The prior plan focus was on meeting customers’ needs and resulted in system-wide change (including facility renovations). The current plan is focused on not only serving the community but helping to build it. The Library sees its role as enriching individual knowledge, promoting literacy and learning and improving quality of life. The plan identifies information access, service points/facilities and funding and advocacy as the central priorities. The tools to deliver the services to the community are staffing, programming, partnerships, marketing and communications and technology. In order to ensure information resources remain available, the Library notes that not only are financial resources required but it also requires an engaged and interested citizenry in libraries.

The Library’s plan states that its core strengths are information access, collections and children and youth services. It points out that 70% of City residents ages 16-36, more than half of the City’s residents and nearly one in five county residents have a Carnegie Library card.

**Goals and Objectives**

The plan has goals and initiatives in several areas: Information access; service points and facilities; funding and advocacy; staffing, responsibility to customers and by customers; and technology.

Some of the specifics include:

- Complete $55 million fund raising campaign by 2008.
- Increase annual giving to 10% of annual budget by 2010.
- Maintain a fund balance of 8-10% of total spending.
- Conduct evaluation of number and location of facilities and complete neighborhood revitalization program by 2008.
- Conduct an evaluation of administrative, shipping and storage facilities in 2007-2008.
• Evaluate Main Library ability to meet service needs in 2009-2011.
• Sustain expertise in library services to children and teens by continuing to provide excellent collections, specialized staff and innovative programming.
• Develop and implement a marketing and communications plan that results in increased usage and financial support by 2008.
• Develop a human resources department to support library operations in 2007.
• Develop and implement guidelines for programming in 2008.

Comments
For the most part, goals were specific and measurable and related to the overall vision. It was noted that staff and board members will develop action items and tactics to achieve these goals.

Financial Projections

Revenues
District revenue increases from $16.7 million in 2007 (slightly lower than actual grant award) to $19 million in 2011. The Library assumed a 1.5% increase in 2007 (they received a 2% increase in District’s final budget), a $1 million additional grant in 2008 (which is a 7% increase) and then 2% increases in the out years. The plan also assumed eNetwork pass through funds of approximately $1.2 million each year, which would be transferred from the ACLA grant.

State revenue increases from $4.6 million in 2007 to $5 million in 2011, reflecting a 4% increase in 2008 and 2% increase in 2009 through 2011. The financial projections assume additional state aid (empowerment zone revenue) of $750,000 in 2007 and $1.5 million in 2008 and 2009 and then $700,000 for 2010-2011 for neighborhood hour increases and preservation efforts.

In 2009-2011, additional city support is phased-in for increased hours at four locations per year at a cost of $40,000 per location. The City currently provides $40,000 per year and this revenue is projected to increase to $200,000 in 2009, $360,000 in 2010 and $520,000 in 2011.

Expenditures
Total spending increases from $25 million in 2007 to $28.8 million in 2011. Expenditures for the main library and branches are $18 million in 2007 and increase to $21 million in 2011. Capital maintenance expenditures are included in the budget projections. The largest increase in spending occurs in 2008, when costs increase 8% and then level off to 2-4% increases in the out years of the plan.

Comments
The assumption of RAD funding in 2008 would be a 7% increase, including a one time 5% increase creating a new funding level. This is contrary to board policy, which projects increases to the contractual assets based on a three year average of total revenue capped at 3%. In
addition, the revenue increases from the State and the City may be difficult to secure.

Capital Needs
Projects were listed by Main Library and by individual branch; estimated costs were included.

Main Library
$1.7 million in projects were listed and include $500,000 for front step repairs, elevator retrofit, rain conductor replacements and lighting upgrades. (The District provided $150,000 for some of these projects in 2007.) In 2008, carpet upgrades lighting and voice over internet projects are planned. In 2010 roof refurbishing at the Main Library is estimated to cost $350,000.

Branch Libraries
At the branches, projects include window replacement (Lawrenceville, West End and Mt. Washington) upgrade of HVAC at Carrick, theft detection installation at most branches, new roofs at Lawrenceville, lighting upgrades at Knoxville, air conditioning at Lawrenceville, West End. South Side and Mt. Washington. Repairs for the branches total $2.4 million.

A capital reserve has been established and has a current balance of $900,000. These funds will be used toward the maintenance needs at renovated libraries. The Hill District, Allegheny Regional, East Liberty and South Side are identified as the next branches to be renovated.

Technology Needs
Estimated cost includes pc replacement at a cost of $800,000 in 2008 and again in 2011.

Staff Recommendation
While the plan meets District requirements and could otherwise be approved, staff is concerned about the optimistic revenue assumptions. A condition of approval at this time should be recommending to the library trustees that they develop alternate operating scenarios consistent with more conservative funding levels.

Analysis of Prior Plan
The Library’s long range plan included goals and objectives in several areas - capital improvements, collections, development, technology, marketing and communications.

The prior plan cited its most critical need was its facilities. They Library made significant progress in this area.

Six branch library renovations - Homewood, Brookline, Squirrel Hill, Hazelwood, Downtown/Business and Woods Run along with the first floor of the Main Library have been completed.

The Martin Luther King Reading Room in the Hill was closed in 2005 and the Library is planning to build a new branch in the Hill District. In
February 2006, the Urban Redevelopment Authority approved a site location for the new library on the corner of Centre Avenue and Kirkpatrick Street. The East Liberty Branch is scheduled to be renovated next.

Also, the Library purchased a vacant lot from the URA for the Allegheny Regional Branch, after the existing branch was damaged by lightening in 2006.

The Library also began its $55 million capital campaign to complete the renovations. $27.4 million has been committed including the $14 million District-backed bond issue. In 2006, the state approved $7.5 million and the Library has raised over $40 million through October 2006.

The Library planned to complete an evaluation of existing branches to determine if new ones needed to be added and others relocated in the prior plan. However, as noted earlier, this is one of the goals of the revised plan as well.

Collection Improvements were made during the prior plan. 9,000 CD’s were added to the collection from the settlement of a national class action suit. New databases and a new, large collection of periodicals – over 250 popular and multi-cultural titles at the Main Library were added.

The Library partnered with ACLA during National Library Card Sign-Up month in 2005; 7,600 new card holders were added. The Library also developed a successful “After Wordz” jazz program and a Sunday afternoon music program at the Main Library in an effort to attract additional people to the library.

A new development department was created and emphasis was placed on increasing annual giving beginning in 2002. The annual fund brought in $133,000 in 2005. The Library created a “donor” library card (donation of $30 or more) to increase revenue.

Mr. Pierchalski then called on Dr. Barbara Mistick, Executive Director of the Library. Dr. Mistick thanked the Board for its support of the Library. In response to Mr. Griffin’s question, Dr. Mistick stated that the additional $1 million in funding sought for 2008 would be a one time request that would represent a 5% level increase in funding. They derived that number by costing out their strategic plan. She informed the Board that $16.81 is spent per capita on library services, which is low in comparison with other cities. The most common request is for extended hours.

In response to questions from Ms. Kirk, Dr. Mistick said it would cost $590,000 to add 6 hours of service per week at the main branch due to the size and complexity of the facility.
In response to Mr. Pierchalski's question about their capital campaign, Dr. Mistick said they had $45 million toward their goal of $55 million. They have renovated six facilities to date. This year they will be breaking ground for new facilities in the Hill District and Northside and renovations to the East Liberty Branch. Ms. Maleski added that they need to consider the needs of each community when developing facilities. Dr. Mistick said that their planning process included consultation with the community.

Mr. R. Jones then moved approval of the Carnegie Library long range plan under the conditions recommended by staff, seconded by Ms. Yarris. The Board unanimously voted in favor of accepting Carnegie Library's long range plan.

**Strategic Agenda Initiative**

Mr. Pierchalski informed all that in October of last year he asked several Board committees to begin looking at the District from both a policy and operational standpoint. This effort grew out of the recommendations of the Governance Committee created last year.

He also stated that he thought by any measure the RAD grant program has been successful and has achieved the goals stated in the legislation. That does not mean the organization should not regularly challenge itself to explore if its policies still make sense today and that it conducts its business the way it expects grantees to operate – efficiently and at the lowest possible overhead.

He then asked the committees to report.

**Allocations Committee Report**

The following report was given by Mr. R. Jones:

Board Members:

As part of the Strategic Agenda initiative launched by the chairman last year, our committee was asked to examine the methods used by staff and board to evaluate annual grant applicants, determine the validity of the evaluation findings and also suggest how the District could emphasize merit and impact into decision making. We were also asked to examine the appropriateness of current eligibility standards.
Our review included an examination of the practices of other public funding agencies, the correlation of final awards with evaluations over a two year period and the eligibility criteria as they developed over time. We have the following report and recommendations for you to consider at this time:

Eligibility

In addition to the eligibility criteria set forth in the District’s governing act, the Board has from time to time set policy eligibility criteria (see attached exhibit for the most recent criteria).

From the outset the District has required applicants to be either governmental entities or in possession of a current 501c3 certificate issued by the Internal Revenue Service. This has been referred to as organizational eligibility.

Although Section 501 of the code contains a number of different classifications, the 501c3 designation qualifies an organization as an organized public charity. In order to receive this designation, organizations have to submit two year budgets, by laws and articles of incorporation.

Producing the 501c3 certificate does disqualify informal associations as well as individuals from participating in the grant program along with organizations who may have filed but have not received 501c3 status. Our conclusion, however, is that a reading of the governing statute and its definition of regional assets as well as public expectations with respect to the expenditure of tax funds validates the organizational eligibility requirement and it should not be changed.

In addition to the organizational eligibility, the District has developed a series of policy eligibility guidelines over the years in order to clarify the areas it will fund. This has been done for the convenience of both potential applicants as well as managing the District’s grant process. The policy guidelines have been in place for some years now with little change. They are consistent with the definition of regional asset in the statute and the intent of the founders of the District. We have no recommendations to change the guidelines at this time but recommend that their status be reviewed each year as part of the budget process.

Evaluation Criteria

In the annual grant application document each year, the District sets forth a series of evaluation criteria that will be used by Board members in considering applications. At one time there were ten evenly weighted criteria. Currently there are four: management, financial stewardship, programming and diversity.

In recent years, Board policy has been to weight financial stewardship more heavily in an effort to encourage assets to bring fiscal houses in order. While business operations remain a concern, the current board
has expressed a desire to increase emphasis on merit and impact as well as diversity considerations.

The committee is recommending several changes for the 2008 budget reflecting the current concerns of the Board.

1. We recommend combining management and financial stewardship into one category called "governance." We found little value and some overlap with the two separate criteria. We have also recommended a series of specific indicators that would assist in this area of evaluation.

2. Giving equal weight to the new governance category and the programming category thereby increasing the District's emphasis on merit and impact among other programming achievements.

3. Advising applicants that the District will be giving increasing weight to asset diversity and asking the Diversity Committee to provide clear and specific definitions in this area.

Evaluation Process

We are recommending that, as a trial, the District expand its evaluation process for the 2008 budget by inviting a panel of advisory board members to participate in the evaluation process earlier than usual.

Traditionally, we have invited the Advisory Board to comment on the applicants after the preliminary budget is issued. Under this recommendation, a panel would be asked to examine a representative sample of applicants in time for the Allocations Committee to consider before the preliminary budget is released. The purpose of this trial would be to give the Advisory Board members a more substantive, timely role and also have them provide feedback into both the application and evaluation process from a first hand perspective.

In practice we see the trial working as follows:

1. Advisory Board members will be asked to volunteer to serve on a panel with the appointments made at the April/May board meeting. Once appointed, staff will conduct orientation sessions for the panels.

2. Once applications are received, staff will work with the Allocations Committee to select a diverse group of about 25% of the annual grant applicants for the trial process.

3. Summary binders will be prepared for panel members and they will be invited to review applications and attend annual grant hearings. An effort will be made to schedule the trial applicants on one evening.

4. On the Saturday following completion of the hearings, the panels will meet for all day sessions to conduct evaluations under the same guidelines being employed by staff. Staff will assist and be prepared to answer questions concerning applicants.

5. Evaluations will be combined with staff evaluations for presentation to the Allocations committee.
6. Evaluations will be submitted confidentially to the Allocations Committee and the results of the evaluations will be considered advisory only.

At the end of the 2008 budget process, a report will be prepared on the results of the trial including a survey of the trial members.

* The committee hopes that our review of these areas assists the Board in considering ways to meet our responsibilities more effectively in the future.

Allocations Committee
Dan Griffin, Rob Jones, Connie Yarris

Ms. Coleman asked if there would be specific measures to evaluate. Mr. Donahoe said that each criteria had at least five measures. Mr. R. Jones noted, however, that examining merit and impact was more difficult due to the inherent nature of the criteria. Ms. Kirk commended the committee for its work.

Approval of this report was moved by Ms. Yarris and seconded by Ms. Kirk. The Board unanimously approved the report.

**Diversity Committee Report**

The following report was given by Dr. H. Jones:

Board Members:

As part of the Strategic Agenda initiative, our committee was asked to examine the diversity policy adopted by the Board in 2005 and propose changes to policy and procedures if required.

As adopted the policy announced that the District intended to make progress toward increasing minority participation on boards and among employees of funded assets. (For purposes of this review minority is defined as persons of color.) In our review we analyzed data from applications filed during the past three years and consulted with staff on actions they have taken to implement the policy.

Shortly after adopted, staff organized a seminar for assets and called on specialists in board recruitment to discuss ways to increase minority participation on boards. Since that time many assets have advised that they are utilizing those resources. Statistical data indicates that overall minority representation on boards has increased from 10% in 2004 to 14% in 2007.

A small number have adopted board diversity plans though most say that a board fully representative of the community is among their goals.
Employment numbers have remained somewhat stable at about 14% minority members.

In short the District has met with some success in encouraging assets to view board diversification as a priority. Given this and considering the legal framework in which we operate, we do not believe the policy needs amended at this time. That does not mean that there is not more to do.

1. The committee is recommending that staff continue to provide technical assistance in board recruitment either through existing community resources or District contracted resources if necessary.

2. We are pleased to note that the private funding community is also interested in this important community goal and the District should collaborate with them on ways to achieve it.

3. In addition to statistical reports, future applications should ask specific questions about what organizations are doing to meet the diversity requirements of other funders.

We believe that a combined community effort to encourage diversification within the non profit community is the best way to guarantee that they serve all of the community into the future.

Submitted by

Dusty Elias Kirk, Herman Jones, Stan Parker

Ms. Hogan asked if the Board intended to apply more specific sanctions as a part of the policy. Dr. Jones indicated that this had been reviewed with counsel and that the policy in place is as far as the District could go at this time. Mr. Richardson concurred in this observation. Mr. Pierchalski noted that the District had been using and intended to continue using its bully pulpit to encourage diversity. Ms. Kirk said that staff would continue to provide technical assistance to assets in this area. Ms. Hogan commended the Committee for continuing to pay attention to this important area.

Mr. Griffin moved approval with Mr. R. Jones seconding and the Board unanimously approved the report of the Diversity Committee.

**New Renaissance Committee Report**

Ms. Kirk gave the following report:

Our committee was charged with exploring ways to encourage new initiatives and less traditional assets. We reviewed historical funding records as well as current grant requirements. We also discussed our
program guidelines with representatives of the arts and cultural community.

The District has compiled a strong record of support for a broad range of assets with an impressive nearly $1 billion of investment in their ongoing operating and capital needs. We have concluded, however, that in addition to the regular funding program the District should from time to time offer special grants targeted to policy goals such as involvement of more young people and young adults. Through these grants, the Board can promote the District’s mission of guaranteeing the future of the cultural and recreational regional assets available in our community. The program will be called RAD Renaissance Grants.

We are also recommending that we kick this program off in 2007 with a series of grants tied to the regional celebration of the city’s 250th anniversary. The Board will be asked to set aside up to $250,000 for 10 grants of $25,000 each. Grants will be awarded separately from regular operating grants in order to encourage applicants to develop projects and programs over and above their regular service to the community.

*What is the theme and purpose of this program?*

The arts are expected to play an important role in the 250 celebration although currently available funding is limited to a few projects by major cultural institutions. While institutions play an important role, we would like to give student artists and performers an opportunity to be a part of the celebration as well. We have learned from the arts and culture community that individual artists and craftsmen are critical in strengthening an artistic community. Therefore, the program we are recommending will seed projects designed to involve individual students in the activities of the assets. We will look toward our existing assets to partner and collaborate with students on projects that will be added to the already impressive list of 250th anniversary events.

*What kinds of projects is the District looking for?*

Here are some examples...

- An orchestral group sponsors a series of anniversary concerts with young musicians playing side by side veteran members.
- A visual arts museum sponsors an exhibit of student artists.
- A dance, theater or choral asset commissions a work by a student creator and presents it to the community as an anniversary gift.
- An arts group commissions a young filmmaker to tell an important story about our region and its future.

*Who can apply?*

The responsible applicant must otherwise be eligible for District support, that is, they must be a regularly audited governmental entity or a 501c3 organization. The applicant must partner with a student or students in their particular field which can include any area currently funded by the District. For this purpose, it can be a student of any age provided they
are enrolled in a formal program of study in the particular discipline of the existing asset.

How will this work?

1. If approved, the program will be formally announced in April of 2007. Actual approval of the grants will require an amendment to the 2007 budget after a public hearing.
2. Staff will release applications and guidelines after board approval of the program.
3. In order to give applicants time to plan and develop additional funding sources, we envision that a sufficient lead time must be allowed. In order to avoid running right into the regular grant process, applications must be due either in late June (much too quickly to get good, well planned proposals) or in late August (regular grant proposals will be due around July 20). Staff recommends an August 15th due date. This will provide enough planning time and will get us through the major review process.
4. Once received, a panel of experts in the various arts and cultural fields will meet to review and recommend awardees. They will submit a report no later than October 1, 2007 so that there can be a public hearing and vote and an award in time for the projects to be launched in 2008 with completion dates no later than 2009.

While this RAD Renaissance Grant program is tied to the 250th anniversary celebration and involves the arts and culture area, in future years boards can select other areas, themes and goals appropriate for that time. We are hoping that other area funders may want to collaborate on these programs and we will look for those opportunities.

Submitted by
Herman Jones, Rick Pierchalski, Dusty Kirk

Ms. Yarris commended the committee for their innovative thinking. Mr. Pierchalski advised that he had recent discussions with a funder who may partner with the District on this initiative. Mr. Frankel asked if the projects could be less than the $25,000 award and Mr. Pierchalski said that the awards would be up to $25,000.

Ms. Kirk asked that the Board clarify that all eligible assets, regardless of their category, would be considered and not just arts and culture. The chairman said that he would be receptive to reviewing any proposal from an eligible asset and, by consent, the committee agreed to clarify their report accordingly.

Ms. Golden advised that she was working with a committee on the 250th anniversary celebration and that they would welcome the addition of a program to involve the assets.
Ms. Coleman asked if the budgets would include only direct costs and Allegheny County residents. The chairman indicated that this was the intention.

Mr. R. Jones moved approval with Mr. Griffin seconding and the New Renaissance Committee report was unanimously approved by the Board.

Executive Director's Report

Mr. Donahoe reported that the Allegheny County Library Association, in response to the District request, has solicited proposals from consultants to undertake a performance audit on the formula issue. Based on a scoring grid employed by an evaluation committee and responses from members, ACLA was recommending Olszak Management Consulting at a cost of $38,600.

The chairman then called on Marilyn Jenkins from ACLA and Lisa Olszak, President of the recommended firm to answer questions. He asked the representatives to explain how they planned to obtain input from the various libraries. They indicated they would either use individual meetings arranged at central locations or group focus sessions. Mr. Pierchalski said he believed that individual meetings at member library locations were needed to infuse member confidence in the process.

Ms. Olszak was asked to outline her firm's experience with similar studies and she responded with that her firm was experienced with managing the public process of transportation and utility projects and gave examples of each.

Mr. R. Jones said that he was surprised that only a few comments had been received from ACLA members on the recommendation. Ms. Jenkins outlined the process used to involve members from the drafting of the RFP all the way through the selection process. She indicated that she had also spoken with a number of members and felt most were supportive of the process and outcome noting that the responses came from those who had expressed the greatest concern with the formula recommendation last year. Mr. Jones recommended that ACLA and the consultant carefully document all of the steps taken in the process.

Mr. Griffin asked how participants would be guaranteed confidentiality and how the consultant would get the libraries to think globally and not just about their own situation. Ms. Olszak said that their process would
guarantee the confidentiality of all responses. She noted that individualizing the project would make global responses challenging but also said that ACLA had many years of success as a federation and that based on what she had learned there is still support for the concept.

The chairman, followed up by Ms. Kirk, asked what the reporting steps would be in the process. Ms. Olszak said that this would be up to ACLA and RAD to determine but that they planned initial meetings with both as well as an interim report prior to finalizing. Mr. Pierchalski said that the Library Committee would be the likely vehicle for contact with RAD. The chairman also asked if the firm had previously worked for ACLA and was advised that they had not. Mr. Donahoe noted that the District had recently asked Olszak to assist in managing its data base and had awarded the firm a $3,000 contract.

Mr. R. Jones noted that the consultant should not only look at the formula but the process for arriving at the formula, which may have been the more significant problem over the last two years. He referred to this as the “decision making culture” within the organization. Ms. Olszak said that this was an important comment and one they were prepared to examine.

Ms. Maleski from the Advisory Board asked how the member input would be obtained and Mr. Griffin said that RAD Board members might have useful questions to add to their interview routine and suggested early consultation. Ms. Olszak said that survey documents would be developed in advance and that client input would be welcome.

The chairman reiterated that individual library interviews at their location were essential. Ms. Olszak said that this would likely add additional hours and cost to the study, which were not included in the proposal. The Board indicated that it would be receptive to a later amendment with reasonable cost increases to cover this effort.

Ms. Kirk then moved that the District approve the selection of Olszak Management Consulting to conduct the performance audit requested by the District at a cost of $38,600. This motion includes authorization for staff to adjust the 2007 allocations budget and ACLA grant award by that amount and to enter into any agreement needed to implement this authorization. The motion was seconded by Ms. Yarris and adopted by a vote of 6 - 0.
Adjournment

As there was no old/new business, the meeting was adjourned at 7:00 pm.