A Board of Directors meeting was held on Monday, May 24, 2004 at One Smithfield Street at 5:00PM in the Simmons Board Room. Present were Board members: Ms. Joyce Baskins, Mr. Daniel Griffin, Chairman, Mr. Rick Pierchalski, Mr. Gerald Voros, Ms. Constance Yarris, Mr. Charles Zappala. Chief Counsel Jim Norris, Executive Director David Donahoe and staff as well as members of the public and news media were also present. Notice of the meeting was published in accordance with the Act and By-laws.

Mr. Griffin called the meeting to order and said that immediately prior to the meeting the Board met in executive session to discuss a personnel matter. Votes are not taken at executive sessions.

**Public Hearing and Comment Period**

Mr. Griffin announced that the agenda included a request for a budget amendment that requires a public hearing. He asked Mr. Donahoe to outline the request from City of McKeesport to amend the 2004 capital grant for Renziehausen Regional Park by deleting the conversion of a wading pool to a water park and adding several projects as listed below. There would be no change in the overall grant of $80,000.

- $4,500  Jimmy Longfield water run-off site improvement
- $8,980  Road reconstruction Pinoak Drive
- $4,315  Concession Stand renovation
- $25,000  Goldfish pond restoration
- TBD  Lake Emily dredging and improvements
- TBD  New ball field development
- TBD  Site preparation for water park

$80,000 Total  (TBD = to be determined)

Mr. Donahoe noted that these projects had all been in McKeesport long range capital needs assessment provided to the District in the past.

Mr. Dennis Pittman, City Administrator of McKeesport, spoke on behalf of their request. He stated that an engineering problem forced them to postpone the water park project. Mr. Pittman said that the problem
delaying the water park project could not have been foreseen when the city presented the budget to the District Board last year.

Mr. Voros questioned why “to be determined” was listed next to several projects and whether the City would expect the District to fund the water park in the future if site preparation was funded this year. Mr. Pittman explained that they did not have good cost estimates for those projects but thought all of them could be accomplished. Some would be done with in house forces. He also said the city knows there would be no guarantee of future funding for the water park and would finish the job regardless. No other speakers appeared on behalf of the McKeesport request.

Mr. Griffin asked for anyone else wishing to speak on District business. Glen Walsh of Mt. Lebanon reminded the Board of his earlier request for the Board to endorse a mechanism for citizen involvement in the activities of the Carnegie Library of Pittsburgh. He contended that since the City of Pittsburgh no longer contributes to the library operation, there is no vehicle for citizen concerns to be heard. He asked that the Chairman request the Library Committee to consider this matter.

Minutes

Mr. Griffin asked for approval of the minutes from the March 29, 2004 meeting. Ms. Yarris moved approval, seconded by Ms. Baskins and the motion carried unanimously.

Treasurer’s Report

In the absence of Board member Wes Blaha, the chairman asked Mr. Donahoe read the Treasurer’s report.

Board Members:

Tax revenue for the first five months of the year totaled $30.1 million, up by about $600,000 or 2% from the same period last year. Interest earnings will be about $104,000, which is slightly ahead of estimate. The 2004 budget assumed a small growth in tax revenue and the results so far have the District on target to meet budget estimates. All grant payments are on schedule and the capital grants payable from previous years is down to $1.6 million. The administrative budget
overall is also on track. District employee health care renewal rates were received this month and we expect to be very close to the budget plan that included an increase in the District appropriation and employee contributions.

The Board has received detailed financial statements for the first four months of the year and, as always, these are available for public inspection. In addition, the annual report released earlier this month is available on the web site. It contains summarized financial information for last year along with tables and graphs outlining District activities for the last year and for the first ten years of its existence.

In my absence, the Executive Director will be pleased to respond to any questions you have.

Submitted by,

Wes Blaha
Treasurer

As there were no questions, Mr. Griffin ordered the Treasurer’s Report received and filed.

Allocations Committee Report

Mr. Griffin announced that the 2005 budget process would begin with consideration of the Allocations Committee report which was read by Mr. Zappala:

Board Members:

We are submitting for your review and consideration the outline of the 2005 budget process. The booklet prepared for you includes a calendar and the draft application documents.

The calendar and budget process are the same as in previous years. There is sufficient time for public review as well as board deliberations.

This will be the first year under the renewed contractual asset agreements. The reporting and budget submission requirements did not change under the renewal so the application documents are largely the same as in past years.
We are not recommending changes to the annual grants eligibility criteria for 2005. These requirements were the subject of extensive discussion and review by the Board and Advisory Board in recent years. We are satisfied that they meet the goals of the District governing act as well as our financial resources at this time.

The Committee also reviewed whether the District is in a position to continue the discretionary capital grant program. The existence of this category has always been contingent on the availability of excess reserve funds. Since 1995 the District has allocated some $30.3 million in discretionary capital grants. This does not include the grants to the city and county regional parks that are mandated by statute and total another $13.4 million. Under the District Act, the priority for reserve funds is to sustain asset operations and this is what it has been used for in the last two budgets.

Having said this, we do think there are areas where the Board may want to offer critical capital grant assistance. Therefore, we are recommending the continuation of the discretionary capital grant program under the following guidelines:

1. As in the 2004 budget, capital grants to any one asset will not exceed $100,000.
2. Priority will be given to requests facility accessibility projects and for projects needed for the continued safe and reliable operation of existing assets.
3. Requests for funding new facilities or major facility additions will not be accepted for 2005.

The application documents that are included in the report reflect the recommended changes. Staff has scheduled technical assistance sessions for applicants to assist in completing the documents accurately.

We recommend that the Board adopt this program and look forward to working with the Board and applicants during the coming months.

Submitted by

Allocation Committee
Wes Blaha, Jerry Voros, Charles Zappala

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Mr. Voros moved approval of the report and recommendation of the Allocation Committee with Ms. Yarris seconding. The Board gave unanimous approval.

**Library Committee Report**

Mr. Pierchalski gave the following report:

**Board Members:**

The following is a status report on library issues that we discussed with executives of the Allegheny County Library Association and Carnegie Library of Pittsburgh at a meeting earlier this month:

**State Funding**

As previously reported there has been some restoration of state funding cutbacks but not to the level received two years ago. Statewide allocations to libraries peaked at $75.3 million in the 2003 fiscal year. The current fiscal year it was set at $47.7 million and the Governor proposed increasing funding to $52.6 million in his fiscal 2005 budget. Final action on the state budget is due by June 30th.

Local libraries receive between 15-25% of their total revenue from the state with Carnegie Library receiving additional funding as a regional center library. While no libraries in our county have closed, reductions have been made in service hours and material purchases and some outreach programs after several years of increase in these areas. Libraries have made efforts to educate local legislators and the public on the impact of the funding reductions.

**Internet Filters**

Libraries that receive federal funds are required to be in compliance with the federal Children’s Internet Protection Act by July 1. Under the Act, all public libraries must install filtering software on computers for the public and staff. The eINetwork began testing software in six libraries in March and expects to be in compliance by July. The filtering software costs about $10,000.
EiNetwork

Northland, Monroeville and Upper St. Clair libraries are called linked libraries as they have separate computer systems and maintain their own catalogs. All other libraries participate in the eiNetwork system which, among other services, allows library patrons seamless electronic access to resources at participating libraries around the county. Beginning in January 2005, ACLA intends to charge a fee to linked libraries for internet access, telecommunication charges and online databases. The linked libraries may decide to provide these services themselves and not incur the eiNetwork charges.

2005 ACLA Formula

As of now, ACLA’s proposed 2005 distribution formula will be the same as the one approved by the District for 2004. The committee did not review the formula and will not do so until it is submitted with the 2005 budget proposal.

ACLA did alert us to the fact that a taskforce has been looking at standards of service and how to use the formula to drive performance. Several smaller libraries are having difficulty meeting state standards, like hours of operation. ACLA is looking at having different levels of service to assist these smaller libraries. If the organization reaches consensus on these issues changes may be recommended for the 2006 budget year.

Bookmobile

ACLA reported that the service changes implemented in 2003 have gone smoothly. In 2004, a private sponsor dropped its $100,000 grant. Service will not be impacted in 2004 but changes may need to be made in 2005. Currently, eight municipalities receive general stops and pay ACLA for the service. The District funds special population stops at daycare centers and senior centers.

Carnegie Library Renovation Status

Implementation of the first phase of the renovation project continues. The Library has raised $23.2 million including the District backed $14 million bond issue. The cost estimate for phase 1 is now $23.9 million. Since the Library will not start a project until the funds are available, the Woods Run project has been delayed until year end. Now completed Brookline, Homewood and Hazelwood branches have seen
increased usage since reopening. The renovations to date have also resulted in lower operating costs.

Library staff is meeting with neighborhoods involved in the next phase of the renovations in Lawrenceville, Mt. Washington and South Side.

Library Committee
Dan Griffin, Rick Pierchalski, Connie Yarris

Mr. Voros reiterated his concern that the ACLA Formula does not adequately consider libraries from distressed communities and asked that the committee review this concern.

Ms. Baskins requested a status report of the attendance at the renovated library locations.

The Chairman asked the Library Committee Report be received and filed.

**By Law Amendment Proposal**

The Chairman noted that a by law amendment proposal had been discussed at the meeting on March 29, 2004 and that the proposal was included in the meeting notices. He asked Mr. Voros to present the proposal.

Mr. Voros presented the following by law amendment:

Article X, Section 6 which presently reads as follows:

Section 6 – Conflicts of Interest. No member of the Board of Directors shall serve as a board member of any regional asset which seeks to receive or which receives funding from the District.

Is amended by adding the following language:

Nor shall a board member be an employee of any regional asset
which seeks to receive or which receives funds from the District.

Mr. Pierchalski asked the Board to consider potential problems the amendment would create. He noted that there already were provisions for Board members to recuse themselves from voting on matters in which they had an interest. He expressed concern that this proposal might burden people who work for smaller assets forcing them to choose between vital service to the asset or public service to the community.

Mr. Voros noted that he had been forced to make such a choice while on the District Board and has resigned from several applicants. Mr. Griffin noted that he thought this is the kind of action the public expects from the District.

Mr. Voros then moved approval of the amendment. His motion was seconded by Ms. Baskins and passed by a vote of 5-1 with Mr. Pierchalski voting no.

**Appointment of Chief Counsel**

The chairman then called on Ms. Baskins who, along with Mr. Blaha had served as the Chief Counsel Search Committee.

Ms. Baskins moved that the Board accept the proposal submitted by Eckert Seamans Cherin & Mellot to continue as chief counsel for the next three years including no increase in the current retainer for two years and a $1,500 a year increase in the third year. Ms. Yarris seconded the motion and it was unanimously approved.

**Executive Director’s Report**

**McKeesport Budget Amendment**

Mr. Donahoe presented the McKeesport budget amendment, which was the subject of the public hearing earlier.

A discussion followed regarding the pros and cons of approving “to be determined” cost estimates. Ms. Baskins said the board has never voted approval for “to be determined” cost projects. Mr. Voros suggested reducing the amount to $45,000 covering those projects for which cost estimates were in hand with the understanding that the city
could return at a later date with specific estimated to round out the $80,000 allocation.

Ms. Yarris motioned approval for $42,795 for the McKeesport Budget Amendment to include $4,500 for Jimmy Long field water run-off site improvement, $8,980 for Road reconstruction Pinoak Drive, $4,315 Concession stand renovation and $25,000 for goldfish pond restoration. Mr. Griffin seconded the motion. The budget amendment received unanimous approval.

**Renewal of Office Lease**

Mr. Donahoe advised that the District had received a proposal from the management company representing the United Way to renew the office lease for a period of five years. The terms included no increase in the basic rent, an increase from two to three parking spaces for day parking, an increase in the free usage of the meeting rooms from 12 times a year to 15 times a year and insertion of a clause that would allow cancellation if the District funding sources terminated.

Ms. Baskins motioned for approval of the lease renewal with Ms. Yarris seconding. The motion was approved unanimously.

**7th Member Nominations**

Mr. Donahoe reported that April 30, 2004 was the due date for nominations for the 7th member seat on the Board. Four nominations were received but one withdrew. The remaining nominees were:

- **Mr. Wesley E. Blaha**  
  Nominated by the Monroeville Chamber of Commerce

- **Dr. Herman A. Jones**  
  Nominated by Manchester Citizens Corporation

- **Dr. Audrey J. Murrell**  
  Nominated by African American Chamber of Commerce

Each of the nominees was contacted to determine that they are willing to serve and understand the demands on their time. Also, they were asked to review the provisions of Act 77 and the by laws dealing with
eligibility. Mr. Blaha and Dr. Murrell responded and confirmed on the issues.

Mr. Donahoe indicated that no motion was required and that it would take five votes to elect the 7th member.

Mr. Griffin then asked for any comments. Ms. Baskins spoke in support of Dr. Herman Jones. She noted that while Mr. Blaha had provided dedicated service, she felt that the Board should make this opportunity available to other citizens. She noted that no African American male had ever served on the District Board and that Dr. Jones was very qualified to take up the duties of a Board member.

Mr. Griffin also praised Mr. Blaha and his service but concurred that the opportunity should be rotated from time to time. He suggested that the Board might want to consider a term limit on the 7th member seat at some point.

Mr. Griffin then called for a ballot vote and appointed the Executive Director as the teller.

On the first ballot, Ms. Baskins, Mr. Voros, Ms. Yarris and Mr. Griffin voted for Dr. Jones. Mr. Zappala and Mr. Pierchalski voted for Mr. Blaha. As no nominee received five votes, the Chairman called for a second ballot.

The result of the second ballot was identical to the first so the Chairman called for a third ballot.

On the third ballot all six members voted for Dr. Jones who was declared elected to the 7th member seat.

Mr. Voros recommended that the staff prepare an appropriate recognition for Mr. Blaha who had served as a member since 1998 and as Treasurer since 2000. This recommendation was agreed on by all the members.

Mr. Donahoe noted that, with the expiration of Mr. Blaha’s term in June, a new Treasurer must be elected. Also, Mr. Blaha was a member of the Allocation Committee so a replacement would be needed for that assignment.
Old/New Business

Mr. Voros complimented staff on the 2003 annual report.

As there was no other old/new business, Mr. Griffin adjourned the meeting at 5:50pm.