The Board of Directors met at 3:00 PM on Thursday, June 2, 2016 in the Gold Room of the Allegheny County Courthouse. Present were Board Members: Chair, Ms. Dusty Kirk, Mr. Daniel Griffin, Ms. Jackie Dixon, Ms. Sylvia Fields, Dr. Daniel Rosen and Mr. Tony Ross (via telephone). Chief Counsel Mr. James Norris, Executive Director Mr. Rich Hudic, staff and members of the public were also present. Notice of the meeting was published in accordance with the Act and By-laws and the agenda was posted on the District website the week prior to the meeting.

Ms. Kirk confirmed that Mr. Ross, who was participating by phone, could hear all of the Board Members present in the room and that the Board Members could hear Mr. Ross.

Public Comment/Hearing Period

The Chair opened the meeting for public comment and indicated that this would serve as a public hearing inasmuch as project grant awards would be proposed.

Minutes

The first item on the agenda was consideration of the minutes of the meeting of February 23, 2016. As there were no additions/corrections, Mr. Griffin moved approval with Dr. Rosen seconding. The motion was unanimously approved.

Treasurer’s Report

Ms. Fields submitted the following report:

Board Members:
Year to date tax revenue through May of $38.6 million is 1.3% ahead of this time last year.

The revenue also exceeds budget by $650,000. The Allocations Committee has reviewed these trends and will report later on the implementation of the 2016 budget.

The District has distributed $36.3 million in 2016 grants through May. In addition to monthly payments to contractual assets, the first quarterly payments to large annual grantees have been released and all of the 2016 grants to small assets will be paid by the end of this month. We have paid out $1.6 million in prior year capital payments.

We remain on budget on the administrative side at this time.
The Chair directed that the report be received and filed.

**Report of the Audit Committee**

The Chair asked Ms. Dixon to submit the report of the Audit Committee.

Board Members:

The Audit Committee met on April 5, 2016 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. **2015 Audit**
   Board members have received a copy of the 2015 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 Cory Johnson, CPA and Brian Chruscial, CPA, auditors from Zelenkofske Axelrod. Mr. Johnson offered an unmodified opinion stating there were no disagreements with management and no deficiencies. The District is in compliance with current standards for presentation of financial statements by government entities.

2. **2015 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 the following five assets: Mattress Factory, Bricolage Productions, New Hazlett Theater, Dreams of Hope and Pittsburgh Botanic Garden. The estimated cost for the project is $9,950.

3. **Appointment of Auditor**
   With the completion of the agreed upon procedure reviews, the second three year engagement with our current auditor will come to an end. Therefore, we have directed staff to seek proposals for audit services beginning in 2017. The current firm, along with others, will be invited to submit proposals. We will review the proposals when they are received and make a recommendation to the Board accordingly.

4. **Ethics Policy Update and Anti Fraud Provisions**
   In accordance with Board directives, the Executive Director provided a report on the implementation of the District’s ethics and anti fraud policies.

Submitted by

Sylvia Fields
Treasurer
Audit Committee

Jackie Dixon, Don Linzer and Tony Ross

In response to a question, Mr. Hudic said an RFP for audit services would be released by mid-July and he expected the Audit Committee to review the responses in the fall.

Allocations Committee Report

Ms. Kirk announced that in order to begin the 2017 budget process, the Board needed to adopt the procedures and guidelines. The Chair called on Mr. Griffin to submit the report of the Allocations Committee.

Board Members:
Our committee has reviewed the status of the 2016 budget as well as the proposed guidelines for the 2017 budget. Based on our review, we offer the following report and recommendations.

Under provision of Act 77 and the agreements with the contractual assets, the District is required to examine its revenue mid-year to determine whether it will meet budget projections. Assuming it does, the District releases the percentage of operating grant funds withheld during the first six months of the year.

District revenue is currently exceeding budget through five months of the year. The revenue pattern this year has been erratic and we are concerned about the tepid nature of the general economy. We will continue to monitor.

Looking ahead, the committee reviewed the eligibility and program guidelines and strongly considered suggestions made by members of our Citizen’s Advisory board. At this time, we are recommending that the current guidelines be continued.

We are also recommending that the discretionary capital grant program remain open for 2017. While the District’s ability to fund this area is dependent on resources, at this point the committee believes that we should have a list of projects ready for consideration. It will be clearly stated in the application guidelines that award of projects is resource dependent. We are also recommending that emphasis will be on shovel ready projects, accessibility projects or projects that improve audience expansion opportunities.

The committee recommends the continued practice of utilizing volunteer advisory board members to evaluate applicants that were not previously funded. This has proven to be a worthwhile part of the budget process.

The committee believes that the recommended 2017 program emphasizes the Board’s duty to preserve a group of quality, well-managed, diverse and inclusive regional assets. We look forward to working with the Board and applicants during the coming months and move the adoption of the recommendations outlined in this report.
2017 General Provisions and Funding Guidelines

Evaluation Criteria

- Governance - including an active and involved board, realistic measurable goals; progress toward meeting the goals, regular strategic planning, accurate and timely financial reporting; realistic projections, operating within means, diversification of revenue, utilization of cash flow monitoring and ability to deal with financial stress (e.g. available cash reserves, low debt); efforts to reduce administrative and overhead costs through cost sharing initiatives.

- Programming - including scheduled, quality programming, outreach, audience development and community impact.

- Diversity - including efforts to encourage and to sustain board, staff and programming diversity through implementation of coherent diversity plans.

- Accessibility and Inclusion - including efforts to accommodate and increase participation by people with physical and cognitive disabilities.

Eligibility
Applicants must be governmental entities or non-profit, tax-exempt corporations, duly organized and in good standing under Pennsylvania laws, and provide programming or services of a regional nature in Allegheny County.

The applicant must be the owner/beneficial owner and operator of the program or facility for which funds are sought. No “pass through” or fiscal agent arrangements are permitted. Non-profit organizations must have 501(c)3 status at the time of application and will not be registered to submit an application until its IRS letter confirming this status is on file with RAD. Applicants must have a board-adopted budget, regular financial reporting to its board and a board adopted diversity plan.

Funding Restrictions

Act 77 prohibits the District from funding:

- any health care facility;
- institutions of elementary, secondary or higher education;
- any park less than 200 acres except for linear parks located in more than one municipality;
• any asset which fails to serve a significant number of residents outside of the municipality in which the asset is located;

• any library which is not part of a library system serving multiple municipalities.

In addition, the District will not provide funding for the following:

⇒ governmental-type services other than qualifying parks (examples of ineligible activities include public safety and public works programs/projects including government office or service facilities, bridges, vistas, roads, water and sewer projects);

⇒ local recreation programs, facilities and/or activities such as teams and leagues;

⇒ economic and housing development agencies and programs;

⇒ social/human service agencies and programs;

⇒ parades, single or short term events or festivals;

⇒ project grants for planning or feasibility studies;

⇒ historical monuments unless part of an otherwise eligible regional asset such as a regional park or museum or sufficient funds have been raised and set aside at the time of application to provide for ongoing maintenance.

Ms. Kirk asked if the Allocation Committee had done any projections on funding levels in the future. She noted that they wanted to be conservative about the use of taxpayer dollars. Mr. Griffin responded that he was not confident that every asset could continue to receive increases every year. Ms. Dixon said that the reserve should be used for discretionary funding such as capital or extraordinary projects. Mr. Hudic stated that he anticipates receiving $93.5 million in revenue this year and that our annual operating grants match what we are projecting receiving in annual revenue. He said that staff would prepare projections based on various scenarios. Ms. Dixon commended the District’s Advisory Board Members for their help in reviewing guidelines for funding.

The chair asked for a motion to approve the report that was made by Ms. Dixon, seconded by Mr. Ross and approved unanimously.

Project Review Committee

The Chair called on Dr. Rosen to present the report of the Project Review Committee.

Board Members:

The Committee met to review special project applications received by the March 15, 2016 deadline. Based on that review, we are advancing four accessibility grants at this time.

A grant in the amount of $14,638 to the Greater Pittsburgh Arts Council (GPAC) to purchase two portable assistive audio technology systems for shared use among cultural organizations. This grant is
for the total cost of the project. GPAC will provide training to organizations. One system will be stored at GPAC’s office and the other at City Theatre since they are open on weekends. 15 cultural organizations have used GPAC's existing equipment, which is 10 years old and no longer operating.

A grant in the amount of $60,000 to the Audubon Society for accessibility improvements to a parking area and road. The total cost of the project is $100,000. The Audubon has steadily been making accessibility improvements including adding an accessible boardwalk that was funded by the District.

A grant to Pittsburgh Zoo in the amount of $25,000 for three universal/tactile signs at the new Jungle Trail exhibit. This continues the Zoo’s efforts to add sensory signage. The Zoo has raised $340,000 out of $450,000 towards signage and educational components for the new exhibit which will open in June 2016.

A grant to Pittsburgh Public Theater in the amount of $25,000 to upgrade assistive listening devices and purchase captioning and audio description services. The total cost of this project is $31,346. This will allow the Public Theater to improve its accessibility options at all of its performances. The Public Theater has 260 performances annually.

These recommendations total $124,638. When added to the 2016 grant previously approved, the District will have committed $312,821 in special project grants toward enhancing accessibility and connections among the assets this year. If these grants are approved, it would leave a balance of $437,179 in 2016 project funds.

The committee continued discussion on revising the guidelines to ensure that the District receives applications that adhere to the boards’ original intent of maximizing efficiencies, reducing costs and encourages collaborative efforts between assets. No recommendations on any changes are being made at this time. In addition, the committee would like to further define accessibility as it relates to enhancing opportunities for those with physical and cognitive challenges versus capital requests.

Submitted by  
Project Review Committee  
Dusty Kirk, Danny Rosen, Tony Ross

Mr. Griffin made a motion to approve the recommendations of the Project Review Committee, seconded by Mr. Ross and it was approved unanimously.

Report of the Executive Director
The Chair called on Mr. Hudic to present his report.

City of Pittsburgh Long-Term Plan Submission:

Mr. Hudic presented a summary of the City of Pittsburgh Regional Parks long-term plan for 2016-2020, a copy of which is on file in the District office. He said staff had reviewed the plan and determined that it met all the District requirements and is recommending approval. He noted that approval of the plan did not guarantee future funding levels. The Chair then opened the floor to questions and comments. The City was represented by Mike Gable, Director of Public Works and Jim Griffin, Director of Parks and Recreation.

Mr. Dan Griffin noted that it was the most comprehensive long-term plan that the city has prepared. In response to a question from Ms. Kirk, Mr. Gable said the idea behind green connections is to eventually connect all the green space in the city and he noted the importance of storm water management. He said that projects like permeable paving in the parks could assist in storm water management.

Ms. Dixon asked if the city was responsible for Cliffside/August Wilson Park. Mr. Jim Griffin said while it was not a regional park, the city was responsible for it and noted the partnership with the Pittsburgh Parks Conservancy. Ms. Dixon questioned why the Conservancy had not been funded and Ms. Kirk mentioned the Connection grant the Conservancy received.

Ms. Kirk remarked that the City’s plan included featuring Emerald View Park and said it was a hidden gem. Mr. Gable said the City’s intention was to add more acres to that park.

In response to a question about the park ranger program, Mr. Jim Griffin reported on the increase in staff and funding from a local foundation.

Ms. Fields asked about the cost of facility renovation at the golf course. Mr. Gable said that the city’s contribution would be $200,000 a year for several years but that the First Tee organization would need to raise funds, too.

Mr. Gable expressed his appreciation of receiving RAD funding for the parks.

Mr. Ross moved approval, seconded by Ms. Dixon and the plan was approved unanimously.

2015 Annual Report:

Mr. Hudic presented a summary of the District’s 2015 annual report and noted that the employment at the assets is over 9,185. A copy of the report was provided to board members.

At-Large Board Member Presentations

The Chair stated that, pursuant to the provisions in the statute, the District solicited nominations for the at-large board seat from regional economic and community development organizations. In addition to direct letters to such organizations, information was issued to the press and in District publications.
The process resulted in three nominations. All three have indicated that they meet the eligibility requirements and are willing to serve the two-year term. Board members were provided with the resumes and contact information for the candidates. The nominees are: Kathleen McKenzie, Vice President of Community and Civic Affairs for Allegheny Health Network. Ruthann Omer, President of Gateway Engineers (both nominated by the Allegheny Conference on Community Development), and Dr. Daniel Rosen, Professor of Social Work at the University of Pittsburgh and the current at-large Board Member nominated by Landforce Pittsburgh. The nominees were asked to speak to the board and answer questions.

Kathleen McKenzie
Ms. McKenzie said she was honored to be nominated and noted that she had worked in County Government as the Deputy County Manager. In that role, she was responsible for the establishment of the County Parks Foundation. Ms. McKenzie said RAD had a strong reputation. In response to a question, she remarked that she had never heard any complaints about RAD and commended the Board as careful stewards of taxpayer funding for providing only necessary increases to the assets annually. Ms. McKenzie also noted that without RAD funding many organizations like museums and libraries would not be as successful as they are.

Ruth Ann Omer
Ms. Omer said she was also honored to be nominated by the Allegheny Conference. She said she believed it was important to give back to communities and was a strong believer in public service. She said she uses the trails and was appreciative of RAD support. She also mentioned the importance of funding for libraries. She said RAD had a terrific reputation with being transparent. In response to a question by Ms. Dixon, she said the one constructive criticism she had heard was that the application could be onerous for smaller organizations.

Danny Rosen
Dr. Rosen said he has been in Pittsburgh 15 years and considers RAD a hidden gem. He remarked that it has been an honor to serve on the RAD board. Dr. Rosen said he wanted to continue to work on maximizing efficiencies with the Allegheny County Library Association and Carnegie Library of Pittsburgh. He noted that he is interested in diversity and inclusion, and in recognizing smaller assets and seeing the impact funding has on smaller assets.

It was decided to hold the vote on the At-Large seat at a special meeting, which will be held at a date to be determined.

Old/New Business

The chair permitted Yvonne Cook, president of Highmark Foundation, to address the board regarding a recently submitted connection grant request by the Pittsburgh Cultural Trust (note: application submitted was for $125,000) to bring the Hewitt Collection of African-American art to the August Wilson Center next April through June. Ms. Kirk and Dr. Rosen commented that it was a wonderful idea but said the Projects Review committee did not recommend it, as it did not meet the guidelines for Connection grants that are supposed to be long term in nature which is consistent with past practice and provide cost savings to organizations. In response to a question from Ms. Fields, Ms. Cook said the budget was $480,000 for this traveling exhibit and that $100,000 had been raised to date. She has numerous grant requests outstanding. Mr. Griffin suggested revisiting the submission with the Cultural Trust as part of their annual operating submission to RAD.
Re-Appointment of Chief Counsel:
The Chair advised that at the February board meeting, she directed staff to obtain a proposal from Chief Counsel, Mr. Jim Norris, to continue serving in that capacity for another three year term. The proposal has been received providing for a retainer of $35,000 in each of the three years and an additional $300 per hour for extra ordinary legal work.

Mr. Norris said it has been a pleasure and privilege to work with the board. Ms. Dixon moved the proposal be accepted. The motion was seconded by Ms. Fields and approved unanimously.

Extension of Time and Change of Purpose – City of Asylum Accessibility Grant:

Mr. Hudic noted that the original grant of $10,000 for assistive listening devices was going to expire on June 30, 2016 and that City of Asylum submitted a request to extend the time and to add another project. Ms. Kirk asked Mr. Reese to explain the request. Mr. Reese said that the new technologies have emerged since the grant was awarded. The system will now be a Wi-Fi based system which will result in a cost reduction. Mr. Reese requested to use the balance toward a handicapped ramp at the new building that had not been anticipated. He said Alphabet City, the organization’s new home, will open in September. Dr. Rosen moved approval of the request, with Ms. Fields providing a second. It was approved unanimously by the board.

Adjournment

The meeting was adjourned at 4:25 PM.