The Board of Directors met at 3:00 PM on Thursday, May 16, 2019 in the Koppers Building conference room. Present were Board Members: Chair, Mr. Daniel Griffin, Ms. Jackie Dixon, Ms. Sylvia Fields, Ms. Hilda Fu, Ms. Dusty Kirk (via telephone) and Dr. Daniel Rosen. 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.

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

Public Comment
The Chair indicated that this meeting would serve as a public hearing, as grant proposals would be discussed. The Chair opened the meeting for public comment. Two speakers were registered.

Christine McIntosh, Director Bethel Park Public Library and Mary Menk, Director, Andrew Carnegie Free Library both spoke about the programs libraries offer for adults with intellectual disabilities. Ms. McIntosh informed the board about programs at several libraries including Shaler North Hills Library which offers a weekly book group, Whitehall Public Library which hosts weekly visits of adults and their aides who enjoy arts and crafts activities with lunch at the library’s café and Sewickley Public Library which holds adaptive art programs. In addition many other libraries offer on-going activities as they strive to be inclusive of all members of the community. Ms. Menk noted that Andrew Carnegie Free Library also offers movie viewing and arts and craft programs. Mr. Hudic informed the board that the District received written communication from Laurena Schultz, Public Services Librarian about the Mt. Lebanon Public Library’s programs for intellectually disabled adults. Mr. Griffin remarked that the programs were a great and asked how the public was informed about the programs. Ms. Menk said they include the information in monthly e-newsletters along with using social media. Dr. Rosen noted that inclusiveness was a District priority and recommended that the Allegheny County Library Association include information about these programs in its annual application. Ms. Kirk commented that this represents a best practice in which RAD could support further.

Minutes
The first item on the agenda was consideration of the minutes of the meeting of January 10, 2019. As there were no additions/corrections, Ms. Fu moved approval with Ms. Fields seconding. The motion was unanimously approved.

Treasurer’s Report
Ms. Fields submitted the following report.

Board Members:
I am pleased to submit the following report on RAD’s financial position. Year to date tax revenue through May is $43.2 million. This is 6.9% ahead of the same time last year and exceeds our projected 2019 budget by $2.0 million. The Allocations Committee has reviewed these trends and will report later on the implementation of the 2019 budget.

The District has distributed $37.3 million in 2019 grants through May, including $438,300 in prior year capital payments. In addition to monthly payments to contractual assets, the first quarterly payments to large annual grantees have been released and the 2019 grants to small assets will be paid in June.

We remain on budget on the administrative side at this time.

Submitted by
Sylvia Fields
Treasurer

Report of the Audit Committee

Mr. Griffin submitted the report of the Audit Committee.

Board Members:

The Audit Committee met on April 11, 2019 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. 2018 Audit
Board members have received a copy of the 2018 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 Brian Chruscial, CPA, and Partner from Zelenkofske Axelrod. Mr. Chruscial 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. 2018 Asset Compliance Reviews
As a part of the District’s oversight function, the Audit Committee, on behalf of the Board, annually reviews a sample of regional assets for compliance whereby the asset’s internal records are compared to the information supplied in applications and close out reports. Reports of six assets were reviewed with the Audit Committee. A list of these assets and recommendations follows with this report.

3. 2019 Audit RFP
It was noted that Zelenkofske Axelrod’s agreement expires this year and RAD staff will develop an RFP for audit services for 2020 and beyond.

Submitted by
Dan Griffin and Tony Ross
COMPLIANCE REVIEWS

Pittsburgh Playwrights Theatre
Recommendations: Utilize PayPal reports to arrive at accurate attendance and geographic distribution data. Update financial projections for Board presentation to reflect current financial conditions. The Committee requested that the organization be informed that the Audit Committee places great importance on providing accurate information to RAD in the Close Out reports and Application.

Carnegie Museums Pittsburgh
Recommendation: None.

Pittsburgh Youth Chorus
Recommendation: Since Pittsburgh Youth Chorus utilizes a ticketing software for the winter and spring winter concerts, consideration should be given to using the database to sort zip codes for geographic distribution of these two audiences.

South Park Theatre
Recommendation: Ensure Close Out financials can be reconciled to the internal financial statements. Maintain procedures to ensure the Diversity policy is up to date.

Steeltown Entertainment Project
Recommendation: None

Union Project
Recommendation: None.

Mr. Griffin noted that the District selects different size assets for routine compliance reviews. As there were no action items, Mr. Griffin asked that the report be received and filed.

Allocations Committee Report

Mr. Griffin announced that in order to begin the 2020 budget process, the Board needed to adopt the procedures and guidelines. The Chair called on Dr. Rosen to submit the report of the Allocations Committee.

Board Members:

Our committee has reviewed the status of the 2019 budget as well as the proposed guidelines for the 2020 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 if it will meet budget projections. As the Treasurer’s report stated, the District’s revenue is ahead of current budget projections and well ahead of actual revenue received during the same period last year. Based on the information we have to date, we recommend the District’s full implementation of the 2019 budget as it was adopted last November.

Looking ahead, the committee reviewed the eligibility and program guidelines. At this time, we are recommending that the current guidelines be continued. They are outlined on the following pages.
We are also recommending that the discretionary capital grant program remain open for 2020 and note that the District’s ability to fund projects is always dependent on revenue resources. Like last year, we are recommending that an emphasis be placed on shovel ready projects and that financial support from other sources will be taken into consideration during evaluation. We are also recommending that an organization’s ability to sustain the project long-term be used during evaluation.

The committee recommends that we continue to use our volunteer advisory board members to evaluate a select group of applicants.

Applications will be due July 1 and budget hearings will be scheduled for mid-to-late August through early September. The Board is tentatively scheduled to meet on September 26th to release a preliminary budget with a follow up public hearing scheduled for October 24th.

The committee believes that the recommended 2020 program emphasize the Board’s goal 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.

Submitted by the Allocations Committee, Sylvia Fields, Dusty Kirk, Danny Rosen

Ms. Fu moved approval of the application and guidelines with Ms. Fields seconding. The motion was unanimously approved.

2020 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 the most recent two fiscal years entered in the DataArts project system, a board-adopted budget, regular financial reporting to its board, a board adopted diversity plan and a have a position designated as the organization’s accessibility coordinator. The applicant must be current on all government taxation and regulatory compliance matters and have an independent audit if requesting a total of $25,000. The applicant must provide the majority of its programming or services funded by the District in Allegheny County.

**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:

- social/human service agencies and programs;
- parades, single or short term events or festivals;
- local recreation programs, facilities and activities such as teams and leagues;
- economic and housing development agencies and programs;
- planning and feasibility studies;
- services such as public safety and health programs, water and sewer projects, bridges, vistas and roads;
- 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.

**Report of the ImPAct Committee**

Mr. Griffin asked Ms. Fu to deliver the report.

Board Members:

The Impact Committee is excited to share the following report.
In late March, the District launched the long awaited ImPAct grant program by hosting an orientation session for assets and partners who may be interested in submitting a project proposal. We rebranded the program as RADical ImPAct Grants to represent RAD’s twenty five year history of public investment in our region and enthusiastically embrace forward momentum and our next twenty five years!

Attendance at the orientation was far reaching and the excitement in the room was palpable. Applications are due by June 15th. At that time, staff will assemble all of the submissions and provide them to the RADical ImPAct Grant selection panel for further consideration. The panel includes the members of this committee and advisory board members. The panel will report to the board which projects they recommend for a public hearing. Their recommendations will be based on the applicants and/or projects presenting the most compelling cases that include many of the following attributes:

- Encourages community strengthening and buildings;
- Embraces inclusion to grow a greater public audience. After all, RAD is for everyone!
- Is bold and celebratory - not what is normally done in a season
- Reflects an inspiring vision or has transformational impact on your organization, the community and its possible impact on the region.

The selected projects will be granted a public hearing on September 5th, the final day of the annual hearing process. This day will be dedicated solely to RADical ImPAct Grant requests. We will make our recommendations to the board for consideration so that the projects can be included in the preliminary budget slated for release on September 26, 2019.

Enthusiastically submitted,
Jackie Dixon, Hilda Fu, Dusty Kirk

Dr. Rosen encouraged the selection panel to be supportive of smaller assets’ projects. Ms. Kirk noted that it’s the impact of the idea that is important not the size of the asset and that we are looking for a variety of projects.

**Citizen’s Advisory Board Liaison Report**

The Chair called on Ms. Dixon to present the report.

Board Members:
We are very fortunate to have a dedicated group of volunteer citizen advisors to aid us in many of our activities. The advisors provide us with much needed support by conducting Asset Site Visits, serving on public hearing panels, reviewing project applications and providing their insights and advice to the board and staff to help us with our decision making.

Advisory Board member terms last four years and several of our great volunteers’ terms are due to expire soon. It is with great pleasure that I recommend the following Advisors for an additional term: Linda Ambroso, Richard Betters, Judy Bookhammer, Winford Craig, Honorable Marita Garrett, Pam Golden, Susan Golomb, David Graffam, Davie Huddleston, Mark Lynch, Sibby McCrady, Brooks Robinson and Carlos Villalta.
Each of these advisors has actively served with distinction.

In addition, I would like to announce that we are having our annual Advisory Board Spring meeting on June 11th on the new renovated Children’s Museum Campus. Several of our assets including the Children’s Museum, SLB Radio and New Hazlett Theater will be on hand to welcome us. Please consider the invitation extended to each of you as well. We will begin at 3 o’clock.

Thank you.
Jackie Dixon

Report of the Executive Director

The Chair called on Mr. Hudic to present his report.

1. RAD Annual Audit

Mr. Hudic wanted it noted that District audit was presented with a clean opinion and the auditors had no recommendations. He commented about the significance of such an opinion for a $100M + organization.

2. New Communications Director

Mr. Hudic introduced Shannon Musgrave, the District’s new Communication Director and informed the Board that a marketing / communication plan would be presented for their review in the summer.

3. Financial Investment Strategy

As authorized in August, agreements were executed with our new investment firm CIM and our custodian financial institution AmeriServ. We transferred funds on May 1st. At that time, the 18 month evaluation clock started ticking. We will report progress regularly.

4. Three Rivers Young Peoples Orchestras (TRYPO) 2018 Connection Grant extension request.

Three Rivers Young Peoples Orchestra received a connection grant ($34,000) in June, 2018 to share marketing services between several RAD organizations that provide music training to students. RAD funding is contingent upon TRYPO securing the additional matching resources to successfully launch the initiative. TRYPO has applied for the matching grant but may not know the outcome prior to the expiration of the RAD agreement (June 30th). Connection grants are good for one year. In addition to the match condition, RAD requested evidence of committed partner support indicating that those organizations represented in their application are on board with the project. Thirteen organizations to date, have signed and the letter. This request is pre-emptive in case the above conditions which are in the pipeline are not completed by the June 30th deadline.

In response to a question from Dr. Rosen, Mr. Hudic said there has been activity and a marketing director was hired. Mr. Griffin added that the District should receive quarterly progress reports on the project. A motion to approve the grant extension to June 1, 2020 with the quarterly report requirement was made by Mr. Griffin and seconded by Dr. Rosen. The motion passed unanimously.
5. **Data Arts Seminar**

RAD and the Heinz Endowments are hosting a SMUDataArts seminar for our grantees on May 29th. The training will include a session about the power of analytical data within the DataArts system and offer practical uses and best practices to attendees. RAD staff will have a private session with their experts to better understand ways in which we can use and present the data collected from our Assets.

In response from a question from Ms. Fields, Mr. Hudic said this was the first time the District was collaborating with a foundation on a program.

6. **RADical Days**

Mr. Hudic said there will be 25 days of free and open public events commemoration of RAD’s 25th anniversary. He noted Ms. Musgrave has been working with the assets to coordinate all the events.

7. **Public Hearings**

Mr. Hudic presented a calendar for public hearings starting on August 20th.

**Old/New Business**

1. Pittsburgh Center for Arts and Media Capital Grant extension request

Mr. Griffin said at the last meeting, the board requested a representative of the organization appear to discuss their 2017 capital extension request and their current capital needs as it relates to their organizational plan. RAD has been holding their capital improvements funds until we hear from Dorinda Sankey, executive director to make sure we are comfortable with the organization’s direction.

Ms. Sankey informed the board that they have received a six month lease extension with the City of Pittsburgh and are working toward a 29-year lease. She introduced board member, Alice Greene. Ms. Sankey reviewed some of the projects that would be completed with the $56,556 balance that remains on the 2017 capital grant as well as the projects to be done in 2019. All the projects relate to life safety issues.

Ms. Kirk remarked that she was supportive of this funding but requested information on the Center’s plans for the future. Ms. Sankey said she was meeting with the City tomorrow to work out the lease details and she was unsure of how the lease would be structured. Ms. Kirk then requested that this request be tabled until we see a plan for maintenance. In response to a question from Ms. Fields, Ms. Sankey said the Center received improvement cost estimates in 2016 that totaled $2 million. Mr. Griffin made the motion to the table the extension request, with Dr. Rosen providing a second. The motion passed unanimously. Ms. Sankey said she would keep the District informed on the lease status.

2. District Legal Counsel Services

Mr. Hudic said the District received a proposal from our counsel to continue service for 3.5 years (through 2022). Ms. Kirk moved approval of the proposal with Mr. Griffin seconding. The motion passed unanimously. Mr. Griffin thanked Mr. Norris for his counsel.
Adjournment
The meeting was adjourned at 3:55 PM.