

WASHINGTON STATE HISTORICAL SOCIETY  
BOARD OF TRUSTEES

MINUTES

ENTITY: WSHS Board of Trustees  
DATE: June 19, 2010  
LOCATION: Washington State History Museum, Tacoma  
TRUSTEES PRESENT: Daniel Grimm, President; Representative Gary Alexander; Charles Bingham; James Dawson; Melanie Dressel; Denny Heck; John Hughes; Representative Sam Hunt; Senator Derek Kilmer; George Moynihan; Royce Pollard; Harriet Spanel; Victoria Woodards; Liping Zhu  
STAFF PRESENT: David Nicandri, Director; Patricia Tobiason, Deputy Director; Tamara Georgick, Director of Information Technology; Christopher Lee, Chief Financial Officer; Kate Magner Web Content Specialist, Misty Dawn Reese, Assistant Director of Human Resources and Administration; Garry Schalliol, Director of Statewide Outreach Services; Gwen Perkins, Education Specialist  
PREPARED BY: Misty Dawn Reese

- I. Call to Order and Introductions  
President Grimm called the meeting to order at 9:03 a.m.
- II. Consent Items
  - a. Minutes, March 4, 2010 Meeting [Exhibit 1]\*  
The minutes of the March 10, 2010 meeting of the Board of Trustees were approved as submitted.
  - b. Future Board Meeting Schedule [Exhibit 2]\*  
The Board of Trustees meeting schedule was approved as submitted.
- III. Policy, Planning & Governance
  - a. Finance Committee  
Chairwoman Dressel thanked members of the Finance Committee for their efforts and asked Mr. Nicandri to present the details of the committee's recommendations for the Society's strategic plan and state budget request.
    - i. 2010-2013 Strategic Plan [Exhibit 3]\*  
Mr. Nicandri explained that the Governor's budget office requires expenditure plans for all state agencies consistent with their strategic plans. The Finance Committee recommendation is based on the plan adopted by the board in March 2010. Mr. Nicandri said developing an expenditure plan has been challenging due to the significant reduction in state support over the past two years. He noted that employee morale is high and core Society missions have been maintained with minimal service reductions.

In answer to a question from Mr. Bingham, Mr. Nicandri said state support of the Society has been reduced by 30% over the past two years. He added that the Society's expenditure plan is awaiting final approval by the state budget office.

Ms. Dressel praised Mr. Nicandri's skillful management of the budget reductions and emphasized that the Finance Committee has requested he prepare for potential further reductions in state appropriations. Mr. Nicandri assured the board he has developed contingency plans.

ii. 2011-2013 Operating and Capital Budget Proposal [Exhibit 4]\*

Mr. Nicandri explained that the Governor's budget office has determined it will cost \$6.7 million to maintain the Society's current operations for the 2011-13 budget, including both state and local sources of revenue. Mr. Nicandri said it is unlikely the state will fund new requests due to poor economic conditions but urged support for the following operating budget proposals, consistent with the Society's statutory mission and strategic plan:

- \$267,400 for a state history instructional program, including resources, and related school teacher training.
- \$675,000 for interpretive exhibits of Mt. Rainier and the Civil War in the Pacific Northwest.
- \$138,826 for improving the cataloging of collections necessary to maintain museum accreditation.

Mr. Heck asked if a comprehensive energy audit of the museum has been conducted. Deputy Director Tobiason confirmed regular and extensive energy audits are conducted and gave examples of several initiatives that have resulted in improved operations and cost reductions.

Ms. Tobiason presented details of the proposed capital budget request:

- \$3.2 million for the rehabilitation and maintenance of existing facilities.
- \$246,488 for the expansion of the Research Center to accommodate current and future collections.

The strategic plan and proposed operating and capital budget requests were adopted as recommended by the Finance Committee.

iii. Planned Giving Initiative

Mr. Nicandri explained a Finance Committee proposal for increasing donations to the Society that includes estate contributions. He expressed his gratitude to trustee Sheryl Steifel for her expertise and suggestions in developing the proposal.

The proposal was adopted as recommended by the Finance Committee.

iv. Amendment to Investment Strategy

Following Mr. Grimm's review of the history of board actions regarding the management of the Society's endowments, Ms. Dressel asked Natalie Holm of Laird Norton Tyee, the Society's investment manager, to present the details of the Finance Committee's recommended investment policy revisions.

The proposed policy would reduce the allocation to international public equities and increase proportionately the allocation to public equities of large U.S. corporations.

The new policy also would expand the range of allocation limits to allow Laird Norton Tyee managers to exercise greater discretion in the timing and selection of stock purchases and sales.

The proposal was adopted as recommended by the Finance Committee.

b. Executive Committee

i. Board Committee Work Plan [Exhibit 5]

Mr. Grimm presented the Executive Committee's proposed annual work plan indicating when and how often the various committees would meet and when committee proposals would be considered by the board.

ii. Executive Session on Director Performance and Retention

Mr. Grimm convened an Executive Session of the Board at 10:45 a.m. to discuss personnel matters. The Executive Session was adjourned at 11:15 a.m. and the public meeting was reconvened.

c. Awards Committee Report

John Hughes reported that former Governor Booth Gardner will be present to receive the Peace and Friendship Award today at the Society's annual meeting following the board meeting. He announced the McClelland Award will be awarded to former trustee Doris Pieroth and the Gray Medal will be awarded to Dr. Lorraine McConaghy of the Museum of History and Industry.

IV. Operations/Performance/Trend Assessments

Mr. Nicandri introduced Gwen Perkins, who presented various exhibits available to school teachers and teacher assessments of student museum visits.

V. Valedictories

Mr. Nicandri extolled Denny Heck's contributions during his nine years as a trustee and expressed gratitude for his personal counsel and support.

Mr. Heck noted the quality of the Society's staff, volunteers and trustees. He said it was a privilege to work with Mr. Nicandri, who personified the finest attributes of a public servant and historian.

Mr. Grimm adjourned the meeting at 11:57 a.m.