

WASHINGTON STATE HISTORICAL SOCIETY
BOARD OF TRUSTEES

Saturday
June 21, 2013
Washington State History Museum
1911 Pacific Ave
Tacoma, WA 98402
9 AM – 12 Noon

- I. Call to Order and Introductions
- II. Consent Items
 - a. Minutes, March 6, 2014 Meeting [Exhibit 1]*
 - Approved
 - b. Future Board Meeting Schedule [Exhibit 2]*
 - Approved as is. Noted that we would like to explore having meetings at other locations across the state in the future.
- III. Policy, Planning & Governance
 - a. Governance Committee
 - Board Nominees 2014-2017 [Exhibit 3]*
 - Three nominees were presented to the board for consideration: Ryan Pennington, Raymond Bower, and Rep. J.T. Wilcox. After discussion, all were unanimously approved. It was noted that Professor Michael Allen, Corky Holloway, Charlie Bingham and Rep. Gary Alexander were rolling off the board after completing terms of service. Their service to WSHS was greatly appreciated.
 - Committee participation [Exhibit 4]
 - Trustees were provided a list of current board committees and reminded of the expectation to serve on at least one committee. Sam Reed offered to join the Governance and Legislative Committees. Senator Darneille joined the Legislative Committee.
 - Director Evaluation [Exhibit 5]*
 - The director was asked to leave the room while the trustees considered her performance for the prior year. After discussion, Robert Carriker moved, with a second from Sam Reed that the trustees resolved, "As required by State statute, the board hereby recommends to Governor Inslee the retention of our Director, and with commendation." The motion was unanimously approved. A letter was produced to that

effect for the President's signature to be forwarded to the Governor's office.

b. Finance Committee

i. Investment Report and LNTyee presentation [Exhibit 6]

- Bridget Burgess, the LNTyee account manager for WSHS assets presented to the trustees regarding the status of the WSHS accounts. Specifically, she presented two graphs showing WSHS account performance as compared to the S&P and other traditional investment portfolios. The graphs showed moderate returns and moderate risk, as associated with our expressed investment strategy. After LNTyee presented, the board discussed a desire to conduct an RFP for asset managers after the September board meeting, since an RFP has not been conducted for several years.

ii. Financial Report [Exhibits 7a and 7b]

- Alex McGregor deferred to Jennifer Kilmer who provided an overview of the financial position of the Society for the period through March 31, 2014. In brief, the Society had higher than budgeted contributed income, lower than anticipated earned income, lower than anticipated total expenses, and a small net increase in assets for the period.
- The recent directive from Governor Inslee's office for all agencies to present budgets for the 15-17 biennium reflecting a 15% reduction in operating expenses was discussed. The director noted that she had not yet had time to outline a specific strategy having just received the directive, but stated that her general approach was to look for whole programs or operational divisions to cut instead of looking at an across the board 15% reduction. She also stated that she would use the agency mission as a guide in determining funding priorities. Potential reductions were discussed, including their positive and negative aspects. It was agreed that the director would present the proposed 15% cuts budget to the Finance Committee for approval prior to submission to the State in August.

c. Development Committee

- In the interest of time, no report was provided as fundraising success was discussed during the financial report.

IV. Operations/Performance/Trend Assessments

a. Agency Activities and Performance Metrics [Exhibit 8]

- Ms. Kilmer presented a dashboard report on key agency metrics. Of note was an 18.7% increase in attendance over the prior fiscal year, with increases in all major categories of attendance. Membership and sponsorship revenue goals were exceeded, while annual fund and grants goals have not yet been met.

- b. State Capital Museum program recommendation [Exhibit 9]*
 - Ms. Kilmer noted that the trustees had expressed by email during the previous legislative session their support for closing the State Capital Museum (SCM) and leasing space to the Department of Archaeology and Historic Preservation (DAHP) in order to reduce operational losses and provide additional earned income. The legislature did not mandate the DAHP move or allocate funds to support such a move. Ms. Kilmer asked the board whether they generally support the notion of leasing the SCM after once again providing a summary of the current limited public hours at the SCM (one day per week), the costs to support such hours, other potential uses, and potential leasing income. The board unanimously approved a motion to pursue a leasing strategy for SCM, subject to board approval of a final lease contract. Ms. Kilmer stated that she would work with the Department of Enterprise Services, Real Estate Division to identify the appropriate lease price and advertising strategies and to identify any permitting or other obstacles to the proposed use.
- c. FY2015 Look-Ahead
 - Ms. Kilmer shared several projects she is working on currently. These include a possible exhibit in 2016 focused on the 1990 Goodwill Games which occurred in the Seattle-Tacoma area, and a two pronged access initiative for low-income families. The access initiative would focus on providing free or very reduced price admission for families with EBT cards, and free admission for families with a child enrolled in Head Start.

V. Good of the Order

*Denotes Action Item