

Approved 12/6/2018

**WASHINGTON STATE HISTORICAL SOCIETY
BOARD OF TRUSTEES
MINUTES**

ENTITY: WSHS Board of Trustees
DATE: Saturday, September 22, 2018
LOCATION: Washington State History Museum
TRUSTEES PRESENT: Ryan Pennington, President, Alex McGregor, Treasurer, Sheryl Stiefel, VP West, Krist Novoselic, VP East, Senator Jeannie Darneille, RaShelle Davis (representing Governor Jay Inslee), Suzie Dicks, John B. Dimmer, Representative Zack Hudgins, John Hughes, John Larson, Representative J.T. Wilcox, Beth Willis, Senator Hans Zeiger
STAFF PRESENT: Jennifer Kilmer, Director; Susan Hesselgrave, Executive Assistant to the Director
PRESENTERS: David MacCulloch and Susie Stanley-Jones, of Washington Trust Bank
GUESTS: Izdihar Bailey, assistant to Rep. Hudgins

- I. Call to Order and Introductions
Called to order at 9:00 AM, President Ryan Pennington presiding.

- II. Consent Items
 - a. Minutes June 14, 2018 Meeting [Exhibit 1]
 - b. Future Board Meeting Schedule [Exhibit 2]
Alex MacGregor moved to approve Exhibits 1-2 as presented. Beth Willis seconded, and the motion was unanimously approved.

- III. Treasurer's Report – Alex McGregor
Investment Report [Exhibit 5]. The presentation by David MacCulloch and Susie Stanley-Jones of Washington Trust Bank, was moved to first item in the Treasurer's report. The presentation materials are appended to these minutes. Washington Trust Bank has no proprietary funds or financial products, or fund/product relationships. The WSHS portfolio does not contain private investments, due to its size/risk profile. Since WSHS is a non-profit, the core portion is in taxable bonds. WA Trust is agnostic regarding the "social responsibility" of investments, and takes its direction from clients' preferences. None of the investments in the WSHS portfolio conflict with the WSHS mission and vision.

Financial Statement – Year End [Exhibit 3]. Notable increases in Admissions, Parking, and Membership revenues. "It has been a good year for the Society," noted Director Kilmer. She also noted that the museum business is seasonal and exhibit-dependent. Exhibits like Toytopia bring in a lot of visitors and revenue. Other exhibits are and will be important to serving our audiences and mission, even though they don't bring in lots of revenue. In 2021 we will be bringing in another exhibit, "Animation Academy," produced by the same company as Toytopia, and we will be featuring Washington State cartoonists and illustrators

in our own companion exhibit. It will be scheduled for the same optimal timeframe as was Toytopia.

The question was raised regarding level of contributed funds. Director Kilmer noted the following: The current decreased funding from this stream is due to the departure of the WSHS development director several months ago. We have a new development director, Lianna Shepherd, hired in April. We just launched a fund-raising campaign for field trip scholarships for low-income schools. We are also considering using Board contributions as a challenge match, to motivate giving by others. We will start that campaign in November. Board gifts can be in the form of pledges at this time.

Budget Request Summary & Proposed Org Chart [Exhibit 4- handout, attached]. The budget request was reviewed by the Finance Committee. Director Kilmer reviewed the agency strategy for funding requests. Since 2008, WSHS has lost 25 staff positions, with 14 of those being since recovery. We have regained 8 positions, but often that has occurred through consolidation of positions. Because the State only pays for two-thirds of our payroll, state-mandated increases cause a constant strain on WSHS finances. We cannot increase admission prices or other revenue, such as parking fees, at the same rate that state-driven payroll costs are impacting our budget. Our top request is for the State to cover our payroll at 100%.

IV. Director's Report – Jennifer Kilmer [Exhibit 6 – handout, attached]

Discussion held regarding the repeated paver pedestal failures in the WSHS plaza. DES has encouraged WSHS to apply for new funds to replace the system. The failures pose a safety concern, and while not predictable, are ongoing and frequent. The various parties involved in the manufacture and installation all are disputing responsibility for the failure. The point was made that requesting 470K in funds to replace the paver supports would ultimately mean that expenditure would impact future state funds available to WSHS. RaShelle Davis, representing Governor Inslee, asked to be briefed on this issue following the meeting.

Discussion held regarding WSHS' stance on the question of neutrality or taking a stand in the interpretation of history. Currently WSHS takes a facts-based approach and adheres to State of Washington law. History organizations, including WSHS, will always have work to do in this area. In terms of "excluded" or "marginalized" histories, Director Kilmer stated that WSHS has a strong history of striving to present inclusive history.

Regarding the upcoming facility master plan, Director Kilmer noted that there are opportunities to meet local needs as well as those of WSHS. Currently, for instance, one third of our parking lot is occupied by pass-holders (a revenue source) due to the great need for UWT parking, and we could sell more parking passes if our capacity was increased.

V. Governance Committee – Sheryl Stiefel

By-Laws updates [Exhibit 7]. Senator Zeiger requested that this be considered the first review by the board, and that it be sent back to the Governance Committee for review of input. The committee chair, Sheryl Stiefel, requested that board members review and send their input to her. The committee will review, discuss and present a final recommendation at the December board meeting.

VI. Collections Committee – John Hughes [Exhibit 8 – handout, attached]

Discussion covered the challenges with cataloguing the collections, the need for more space for housing collections, and the role of WSHS in providing resources, training and expertise to local groups involved with archiving and preservation work. John Larson added that Heritage Capital Preservation Funds, administered by WSHS, were being used for that purpose. Despite the lack of space, WSHS continues to accept items that are of unique importance, such as the recent acceptance of the Manus donation of mammoth fossils from the Olympic Peninsula.

VII. Collections Show and Tell – Lynette Miller, Head of Collections

New accessions and interesting items were shown. Trustees were encouraged to contact Lynette Miller to arrange a tour of the Research Center.

VIII. Good of the Order

Trustees were encouraged to visit the temporary exhibits on the 5th floor as well as the newly-reopened museum store. The next Board of Trustees meeting will be held December 6, 2018, 9:00 am, at the Washington State History Museum.

The meeting was adjourned at 11:35 am.