

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS  
HISTORY COLORADO**

**JULY 20, 2015**

A meeting of the Colorado Historical Society (History Colorado) Board of Directors was held at 3:00 p.m. at the History Colorado Center on July 20, 2015. Present were directors Cathey McClain Finlon, Robert Musgraves, Rick Pederson, Ann Alexander Pritzlaff, Tamra J. Ward, and Charles H. Woolley II. Staff attending were Edward C. Nichols, Jennifer Adams, Joseph Bell, Janet McFarland Burlile, Jennifer Clayman, Bill Convery, Kathryn Hill, Sherry Lestina, Deborah Radman, JJ Rutherford, Andy Stine, Todd Topper, Steve Turner, and Michelle Zale. Jon Fero attended for the Attorney General, and Alexis Senger, HC's budget analyst from the Governor's office, was also in attendance. Jennifer Adams served as recording secretary.

Ann Pritzlaff, Chairman of the Board, called the meeting to order at 3:05 p.m. and confirmed the presence of a quorum. She welcomed the Board, saying she was delighted to meet the new Board members and thanking Board members who were returning for another term.

Pritzlaff said that the meeting focus would include review of the orientation books, concerns for immediate action, and upcoming issues. She introduced Jonathan P. Fero, Senior Assistant Attorney General and Assistant Solicitor General, who is helping in the transition to a new Board. The Board will address the Directors Council and the work of the Solutions Task Force in this meeting as well. There were then brief self-introductions all around.

**ATTORNEY GENERAL**

Jon Fero discussed the workings of a state Board. History Colorado is a state entity, and the Board thought otherwise. SB15-225 was enacted to clarify HC as part of the state, with its Board set up like other Higher Education Boards. Fero said he would provide some written material to the Board, and specified several points. The HC Board shall only act as a Board, not individually. Everything the HC Board does is public and subject to open meeting law. The work of the Board, everything it does, should happen in meetings that are open to the public. A record must be made of all meetings, whether by writing detailed minutes or keeping a recording. Executive sessions may be held with proper public notice to address staffing concerns and the like. A 2/3 majority is required to convene an executive session.

Fero described "duty of care," saying all Board members should seek, receive, and review all information to make an informed decision. "Duty of loyalty" to the Board includes avoiding even the appearance of impropriety. Ethics are important to maintain, the Colorado Code of Ethics outlines civil penalties, and there is a criminal code as well. By Executive Order the Executive Branch Code of Ethics includes honesty, courtesy, respect, etc. It is important to be careful even in social interactions. Fero also mentioned Amendment 41, Ethics in Government, saying that it does not apply to this Board because its members receive no compensation for their work.

Joseph Bell asked about Board solicitation of donations, and Fero said that was not an issue for the Board. Staff solicitation is not clear, however. Fero will provide written guidance and he is available to discuss these things in a future meeting at need.

Fero said that the Board had no executive officers at this time. The new statute does not require new bylaws unless or until a new Board enacts them. Pritzlaff suggested drafting the bylaws and choosing officers as next actions. Fero cautioned against taking a vote on bylaws until the 9<sup>th</sup> Board seat is filled, to reflect the Act.

Cathey Finlon summarized that History Colorado is a state entity 1<sup>st</sup> and is also a nonprofit. The task is to make these roles mesh. Fero agreed there was overlap and repeated that activities must be within state duties. Ed Nichols recommended revising the HC relationship with the Colorado Historical Foundation for work on revenue raising events. Kathryn Hill noted that some education programs are run under a special waiver. Fero recommended following the form of other Higher Education institutions. Nichols said HC should restructure how it works rather than getting waivers. Fero recommended using a governmental deliberative process privilege allowing for full and frank deliberations.

Rick Pederson asked why a Directors Council was needed. Pritzlaff said that DC members were advisory and served on committees. The DC also potentially includes a broader statewide representation. Pritzlaff asked if the DC was subject to open meetings law. Fero said probably not. Ward asked if the Attorney General was contracting out additional work. Fero confirmed this, saying a specialist can be appointed, and there are experts in many areas of law. Finlon suggested that HC could become a model for state and private engagement.

## **HISTORY COLORADO OVERVIEW**

Nichols provided an overview of History Colorado's history, from its creation in 1879 through the 1992 addition of the State Historical Fund, the removal of general fund support in 2003, the bill that funded the new History Colorado Center in 2008, and the Grand Opening in 2012. (Attachment A)

## **SOLUTIONS TASK FORCE**

Bob Musgraves explained the work of the Solutions Task Force, an outgrowth of the interagency working group coordinated in collaboration with the offices of the Governor, Lieutenant Governor, and Attorney General. The anticipated deficit was \$2.2M or so; the group convened and targeted the end of FY17 to cut \$3M from the budget. An additional reduction was included to ensure the target will be met. HC was constrained from reducing budgets for community museums, which represent 8% of operations. Musgraves said resolution needed to be quick, noting that expense reductions are more urgent than revenue enhancements. All reductions will be from the minority share, and none from SHF.

Musgraves said that employee salaries and benefits were more than 50% of the budget. The task force has determined to reduce staffing by 15 of 121 positions. Incentives for staffing reductions include a voluntary early retirement plan and voluntary furloughs. Progress against this goal will be reviewed at the end of August. As a last resort there may be lay-offs as well. Two high level executives have each taken a 10% pay cut. Travel, conferences, and consultants are some of the non-personal budget reductions. There are revenue enhancement opportunities as well. Musgraves noted that the Solutions Task Force process was begun prior to the new Board appointments. Nichols added that several staff were expressing interest in the voluntary early retirement, and over \$100,000 had been volunteered through furlough funds.

Tamra Ward moved, seconded by Charlie Woolley, to convene an executive session at the next Board of Directors meeting to further discuss the findings of the Solutions Task Force as well as progress on the plan's implementation. The motion carried. Human Resources Director Jennifer Clayman is the staff resource for all questions.

## **FINANCE, FACILITIES and ACCOUNTING**

Pederson asked about the budget over the next two years. Michelle Zale said a new statewide accounting system, CORE, had been installed last year. The state expects to close its books for FY15 on September 4. Information provided is an estimate within 5%. Woolley said this was fairly good current information, and asked how far behind was the official accounting system. Zale said that period 10 had closed and period 11 had posted to CORE. Bell said the Board had approved the FY16 budget. Finlon asked to see FY15 figures, and Zale agreed to provide them.

Bell presented the Combined Gaming and Enterprise Revenue Budget Forecast for Museum Operations. He noted that the gaming fund had increased by 5%. He will work with Alexis Senger, Zale, and the Department of Higher Education to ensure accuracy. Pritzlaff said the FY2016 budget would be on the agenda again Thursday. Musgraves asked for information from all funds, including those not approved in June.

Bell presented the progress in responding to the FY14 Performance Audit. There were five financial findings. Cost allocation has been addressed. There is an internal policy in place regarding official functions. A credit card manual has been drafted and staff training is complete for both travel and procurement cards. The fiscal manual has been delayed due to CORE. A format has been drafted for budget to actual reporting.

Bell noted that the legislature had required HC to serve as a pass through entity on behalf of the Cumbres & Toltec Scenic Railroad. He said the removal of general fund support also required that the State Historical Fund be split into a majority share for grant program costs and a minority share for other HC operating costs. Bell concluded that controlled maintenance and capital construction requests were submitted to the state annually and ranked with all other submissions.

## **STATE HISTORICAL FUND**

Charlie Woolley noted that he had chaired the Archaeology & Historic Preservation Committee in the past and that the SHF is a very impressive process. SHF is an economic development tool for small towns. There are three types of grants: Acquisition & Development, Survey & Planning, and Education. Each grant is thoroughly vetted by staff, the State Historical Fund Advisory Committee, the Archaeology & Historic Preservation Committee, and the Board of Directors. Pritzlaff added that staff also counsel those who did not receive a grant in order to strengthen requests for resubmittal. A list of grants will be forwarded to the Board for review ahead of the next meeting.

## **BOARD OFFICER SELECTION**

There was ready consensus that Pritzlaff should continue as Board Chairman in the short term. Pederson moved, seconded by Woolley, to have Pritzlaff serve as chair until after the Board's bylaws are approved, indicating how to proceed. The motion carried.

## **MEETING SCHEDULE**

It was determined to take a poll to find the most convenient meeting time. Meetings will be biweekly for two hours and a schedule posted.

## **DIRECTORS COUNCIL and COMMITTEES**

Pritzlaff suggested a small group work on development of the Directors Council and how best, as a Board, to interface with the DC. How many people should serve in that capacity? One key role is staffing committees. Ward agreed to work with the DC.

There was discussion about committees, noting the need to match the organization's structure. After various suggestions for carrying forward certain committees and ways to create a strong public/private partnership, Musgraves recommended dispensing with committees entirely for the near term. This Board should meet and handle the different parts. Ward added that meetings every two weeks would help to manage the work.

Musgraves asked what decisions needed to be made by the Board. Kathryn Hill answered that collections cannot be deaccessioned without Board approval. Ward asked what the staff needed from the Board in the next few months. Finlon sought to clarify structure. Pederson wanted to understand the mechanics of what needs to be done. He asked if institutional knowledge, capital commitment and state representation were the qualities sought in the DC. Pritzlaff said the previous Board had made a financial commitment as well. Ward spoke for a continued connection to the institution. Identify key legislative issues to be addressed, and develop a timeline. Nichols encouraged a philanthropic approach and a review of the HC interface with the Colorado Historical Foundation.

## **OTHER BUSINESS and ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting was adjourned at 5:45 p.m.

Respectfully submitted,

Edward C. Nichols  
President and CEO