

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

JULY 30, 2015

A meeting of the Colorado Historical Society (History Colorado) Board of Directors was held at 8:00 a.m. at the History Colorado Center on July 30, 2015. Present were directors Cathey McClain Finlon, Kenneth Lund, Robert Musgraves, Rick Pederson, Ann Alexander Pritzlaff, and Tamra J. Ward. Staff attending were Edward C. Nichols, Jennifer Adams, Joseph Bell, Susan Beyda, Janet McFarland Burlile, Jennifer Clayman, Bill Convery, Sherry Lestina, Deborah Radman, JJ Rutherford, Todd Topper, Steve Turner, Kelly Williams, and Michelle Zale. Edward E. Ellis from the former Board attended, as did Alexis Senger, OSPB Budget Analyst.

Ann Pritzlaff, Chairman of the Board, called the public meeting to order at 8:04 a.m. and confirmed the presence of a quorum. Jennifer Adams served as recording secretary.

STAFFING TRANSITION

Pritzlaff summarized the agenda to include additional orientation pieces, governance issues, exhibits policy, and review and approval of pending exhibits. She announced that an HC officer, Joseph Bell, had accepted a position with the Texas Historical Commission. Bell offered to help HC in its transition one day a week during the fall.

Ken Lund asked about the plan for managing vacancies. Nichols said needs would be filled from current staff, resulting in an organizational realignment. Lund would like to see a plan by the next meeting. Cathey Finlon wanted to hear revenue generation concepts for public programs without exhibits and with lower revenue. Facilities management should come under review. Problem solving should seek solutions that drive revenue. Once necessary reductions are complete, then revenue generation should be the next focus.

Lund emphasized that the Board needs to understand transition plans to help in maintaining operations and strategic planning. Pederson reminded that the transition plan should take funding into account. Nichols noted that Michelle Zale was working closely with all of the financial pieces. Cathey Finlon asked Zale if she could handle the transition, and Zale said she could.

Musgraves commented that the Solutions Task Force had addressed revenue development in its plans. Voluntary separations and furloughs were a first step, then revenue generation must be addressed as well. Lund suggested that Board focus should be on strategic thinking instead of inputs. He said HC should be ready for the next phase. Nichols said that there were morale issues now. He added that the expense cuts identified brought HC closer to eliminating large layoffs. More will be known near the end of August.

Pritzlaff said that future meeting agendas would include a briefing on marketing strategies and a briefing on CHF to understand their strategic planning and senior management. Staffing and revenue development are also items for an upcoming agenda. Lund noted that a lot of the work would fall on Zale.

Nichols said HC was undergoing a new realignment by functional area and indicated he could provide a brief presentation on this. Musgraves reminded that the Board has other responsibilities beyond fiduciary ones. Goals and progress should be reported at every meeting. Zale offered to supply multiple report samples to help in developing reports to go forward. The Board was enthusiastic to review the material.

Clayman reported back on the question of whether employees could take advantage of both the severance and furlough opportunities; they can. There is a 72 day limit on furloughs, and people have taken anywhere from 2 to 72 days. The average was 24 over the fiscal year. Clayman added that Jennifer Adams would be retiring after over 25 years of service and said Adams had been a good partner to her since Clayman first began employment at HC.

Lund said he prioritized keeping the team focused, and particularly managing over the next 30 days. Group communications should continue to help people be okay. Finlon said it was odd that so many people came to the meeting on July 28. She said that leadership should drive communications and that this was a huge sign. Radman said that the communications team, including Williams, Clayman, Nichols, Hill, and Turner, has been discussing how to help staff follow the flow of information. The team is committed to trying to get ahead going forward and to reinvigorating the HC culture.

DEVELOPMENT & MEMBERSHIP (Attachment A)

Janet Burlile gave a brief history of her career. She noted the programs within the Development and Membership division, including unrestricted gifts, restricted gifts, membership, endowment and planned giving, and the Make History Colorado! Capital Campaign. Overarching goals for the division include providing financial support, sustainable and long-term fundraising and membership, closing the capital campaign, excellent stewardship, etc. She described the donor cycle and reviewed the organization chart of her team.

Revenue trended high in 2015, due to the receipt of two large endowment gifts. She added that closing the capital campaign had increased annual giving. There had not been a large base when she started and the capital campaign had been the entire focus for a time. She anticipated higher annual giving would become the trend in future years.

Membership dropped after the History Colorado Center opened, reaching a low in 2014, then began increasing again in 2015 after a concerted effort to refocus the program; current membership count is 8,032 households. FY2015 annual giving was 149% of goal, largely due to program staff interactions leading to a gift of \$100,000 to support programs for underserved youth. Rick Pederson asked how such gifts are recognized. Burlile replied that usually people like recognition, but this person had chosen to remain anonymous. She agreed that it was important to understand recognition needs.

Burlile reported on accomplishments in Development including centralized fundraising and grants with organization wide participation, the 1968 opening fundraising event, expanded giving societies, "high impact, low cost" cultivation opportunities, planned giving, bequests, and endowment gifts. Accomplishments in Membership include reviewing and revamping the program, the membership survey, household growth, member daytime attendance increase, a new model for membership engagement opportunities, member event attendance, new marketing strategies and materials, successful direct mail acquisition campaigns, onsite sales, member communications, and expanded member levels. Finlon said HC had done a great job on its brand and recommended putting more emphasis on retail attractions.

Burlile said that the FY16 financial goal for Development ranged between \$535,000 and \$665,000, and the Membership goal was \$600,000. It is important to have other reasons than special exhibits to attend the HCC. FY16 Development goals include, among others, doubling the giving society, securing funds for school and family programs, and creating a Signature Event

Task Force to conduct cost benefit analyses of proposed events.

Ken Lund recommended making the HCC more inviting to inhabit. Perhaps artifacts could be displayed in meeting spaces. Bill Convery said that dioramas are interesting to people. He added that a neutral space is required for weddings and that combining food and objects in the same space is risky. Pritzlaff spoke for the 3D appeal of Colorado stories. Burlile noted that members love HC collections. She said that there were customer service issues regarding technology. She requested Board involvement to build a philanthropic culture. She also requested that the Board continue to have a Development Committee. Pederson asked Burlile to explain a philanthropic culture. Burlile said that it encompasses giving and a comfort with giving, which should feel good. Engaging involvement of individual Board member networks makes that Board member truly part of the Development team. She explained that "phil" means love, and philanthropy demonstrates a passion for HC. Nichols added that an understanding of ongoing needs and the return a gift brings was another aspect of philanthropy.

Burlile noted that it can be a struggle to exist as a state agency and a non-profit and wondered what structure might be best going forward. She said it was best to take the long view for fundraising, as it can take years to build relationships. Finlon said that longer term planning requirements might not be in place. The capital campaign was a target and good contacts were made in capital campaign givers. Now HC has a different job than building the building. Any budget cuts need to factor into future efforts.

RUTH ROBERTS ESTATE (Attachment B)

Burlile presented a handout offering three options for managing this fund. Pritzlaff opened the floor to questions and recommendations. Musgraves moved to deposit the money in the reserve account, seconded by Finlon. Ward thanked Burlile for the extra work that went into the presentation. Pederson was concerned about breaking with a precedent of strong bias toward endowment. These funds should only be raided in dire straits. Nichols said there should be a policy rather than individual review each time funds are received. Lund said he supports the motion, adding that in the long term funds should be deposited into endowment. The Board must make hard choices at times, but best practice is to deposit into the Colorado Historical Foundation. Pederson said an agenda to actively track the estate should be implemented. There was consensus among the group that additional information would be helpful. Pritzlaff summarized that Burlile would provide additional information and requested a vote on whether to deposit the funds in the reserve account, an exception from standard practice. The motion carried. Pederson asked how much money was in the endowment. Burlile replied that there was \$5M in accumulated endowments, some of which are restricted. All are held by the Foundation.

GOVERNANCE

Tamra Ward identified challenges in communication. Pritzlaff suggested that committees can hold initial discussions, or perhaps convene a committee of the whole. Finance work must be dealt with. The draft bylaws include placeholders for both committees and Directors Council. Musgraves asked what work the Board did not wish to undertake. Pritzlaff noted that statewide representation was sought for the Directors Council. Finlon asked which committees were required. Pritzlaff asked the Leadership Team to consider what committee assistance was needed. Nichols confirmed that he would discuss this with the Leadership Team.

DIRECTORS COUNCIL

Musgraves reported that the proposed structure for the Directors Council (DC) was included in the proposed bylaws. The previous Board has done much to craft communication, and it is important to update them on Board work and keep relationships strong. Some previous Board members are also major donors. Nichols said that staff could structure a draft for the previous Board. Pritzlaff said that some had indicated interest in the DC; they have been loyal and should be encouraged to continue participating. She added that maintaining fundraising and operations was a priority, and that operations changes and strategic changes would need to be addressed soon as well. Long term structural changes might wait for a time. Lund asked what was required. Deb Radman said a plan to summarize what has been happening should be written and disseminated. A number of approaches might be used.

Musgraves said he would accept editorial comments on the bylaws, then incorporate edits to create a useful guiding document. Member voting should be discarded, although members will vote on the articles of incorporation that will release them of the voting obligation now that the Board is Governor appointed. Once the DC and committees have been resolved, the bylaws will be reviewed by the Attorney General. It takes 14 days notice to amend bylaws, and this project is well underway. There was general consensus to proceed. Pritzlaff said that work on a legislative "clean up" bill could improve the act. Lund suggested being prepared to outline the new vision and new strategy at the same time.

Finlon asked to have Gaming Commission communications included on the next agenda to ensure protection of gaming funds. Nichols said that he and Steve Turner testify on State Historical Fund value annually at the Gaming Commission meeting as one of the eight recipients of gaming funds. Lund said it was important to develop a political strategy along with a business plan and strategic plan generally. Ward commented that this was a sea change and a good thing in terms of strengthening relations with state administration. Finlon said the Board should know everything, including accomplishments and giving levels. Musgraves wanted to get started on development of the Directors Council soon.

PLANNED EXHIBITS

Chief Historian and Director of Exhibits Bill Convery presented proposals for two exhibits slated to open in the fall of 2016. He said that the Thomas Jefferson documents included Abigail Jefferson, his gardens, and a draft Declaration of Independence. Materials discuss Jefferson's personal and family life as well as his interests in gardening, politics, and architecture. Enhancements would make this information interesting to many. Nichols added that these papers have never been circulated, but would be shown in Massachusetts, Denver, California, and New York. This exhibit might also be postponed until 2017. Partners include the Massachusetts Historical Society, Fulcrum Publishing, Denver Botanic Gardens, and the University of Colorado. Cost estimates have ranged widely. (Attachment C)

Convery described the second exhibit about 911 Colorado first responders, noting that a decision does not have to be made immediately. Objects include 50 photos, etchings, and a 911 quilt housed in the HC collection. Material was largely compiled by a photographer and architect who participated on the Colorado Task Force beginning on September 14, 2001. The Colorado Task Force may be contacted for additional personal items. The cost is anticipated to be about \$153,500 for the exhibit, programs, and marketing. HC is talking with the Mizel Museum about partnering on this exhibit. (Attachment D)

Pritzlaff asked what the Board wanted to do about the Jefferson papers. Musgraves moved and Lund seconded against hosting this exhibit unless staff seek an extension to a future year. Exhibit review, indication of sponsors, timeline, costs and plan of contact should all be included in any future request. The motion carried.

OTHER BUSINESS and ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting was adjourned at 10:03 a.m.

Respectfully submitted,

Edward C. Nichols
President and CEO