



**Nebraska State Historical Society
Board of Trustees Meeting Minutes
Friday, April 20, 2018
Wheat Research Center, Grant**

*Not in attendance: Lance Bristol, Vickie Schaepler, Heather Fryer

Attending: Barnes, Beam-Callaway, Bruntz, Davis, Moore, Nelson, Spellman, Kraus, Elder, Zimmer, Endacott, Wirth

Committee Meetings were held prior to the board meeting.

Finance --- (Chair, Bryan Zimmer)

Governance – (Chair, Kim Elder)

Personnel – (Chair, Cherrie Beam-Callaway)

9:12 AM - Guest – Marvin Stumpf spoke to the board about the International Wheat Center

Kim Elder, President, Board of Trustees called the meeting to order at 9:27am with the quote: “Alone I go faster, together we go farther.”

It was noted that a notice of the meeting had gone out to the press and that the that the Nebraska Open Meetings Act was posted in the meeting room.

President Elder asked if any guests were present. Leslie Fattig, Executive Director of the Nebraska State Historical Society Foundation, asked to introduce her guests, Tony Dworak, Lori Heaton, and Sue Quambusch from the NSHS Foundation staff, and Trixie Schmidt, Foundation President.

Fattig also presented the William Quisenberry book, *Overland Sketches* on behalf of the NSHS Foundation board and the NSHS board, to Tom Kraus as a gift for his help with the guided tours and assistance in planning the reception held the evening before.

Chris Goforth introduced guest Becky Uehling, of the Perkins County Post newspaper.

Elder reminded the board of our mission “The Nebraska State Historical Society collects preserves and opens to all the history we share” Elder then asked for the roll call.

Present: Jeff Barnes, Cherrie Beam-Callaway, Ann Bruntz, Spencer Davis, Kim Elder, Katherine Endacott, Tom Kraus, Marilyn Moore, John Nelson, Connie Spellman, Eileen Wirth, and Bryan Zimmer.

Not Present: Lance Bristol, Heather Fryer, and Vickie Schaepler

NSHS staff members, Lynne Ireland, Michelle Furby, Lana Hatcher, and Chris Goforth were also present.

January 5, 2018 Minutes was reviewed. Jeff Barnes asked whether or not comments regarding the director’s performance should be kept in the minutes from the last meeting. Elder stated that these types of comments have been done in the past and should stand as written.

Motion to approve minutes made by Ann Bruntz, Second by Cherrie Beam-Callaway

Roll call:

Yes - Barnes, Beam-Callaway, Bruntz, Davis, Elder, Endacott, Kraus, Moore, Nelson, Spellman, Wirth

No – 0

Abstained - Zimmer

Absent: Lance Bristol, Heather Fryer, Vickie Schaepler

Motion to approve January 5, 2018 Minutes, carried.

Committee Reports:

The Finance Committee Report was given by Bryan Zimmer. Zimmer commended CFO Michelle Furby on doing a great job of documenting where we are at with finances. Zimmer stated that we are on track. We were allowed to carry money forward, and granted the request for funding for retirement payoffs, which helped to offset the cuts that we received from the state for this year's budget. We will be receiving a 2% cut for the next fiscal year. Zimmer reported from the Revenue Budget Projection sheet that was provided by CFO Michelle Furby. Operating Federal Grants are down 43%, but getting the money from these is only a timing issue as this is a slow quarter. Dept. of Roads contracts are down by 50% but bills will be going out shortly. Any funds left over from the Sesquicentennial Commission at the end of the fiscal year will roll over into our funds.

The board discussed the Audit Draft that had been submitted by the Auditor of Public Accounts (APA). The NSHS had not been audited for the past five years and was due for an audit. The report has been finalized and can be accessed at: www.auditors.nebraska.gov.

Zimmer presented five issues noted in the audit:

1. Revenue Issues: They did not know how we determine the charge for fees on our services. We charge by industry standards and we provided documentation in our formal response to the APA.
2. Capital Asset issues: The society lacked an adequate segregation of duties over capital assets: It was stated that these had not been retired in a timely manner. We do not retire very many assets. We have a place to store them that may be handed down through the organization. We do not have a history of surplusing on a regular basis.
3. Store inventory: We did not have adequate documentation stating that more than one person was managing store assets by doing inventory. We have volunteers who do inventory, but we did not have a paper document stating so. We will now have sign up when they do inventory, and that will become part of our standard procedures.
4. Contract issues: We have contracts that are not reviewed by a legal counsel. We do not have a legal counsel on staff. We will explore having the Attorney General review contracts over a certain amount, but it will not be practical to have small contracts reviewed.
5. Director Vacation Days: The board does not have the authority to determine HR benefits to any state employees. This audit issue was directed to the board. The board can do things in terms of salary, but not benefits and cannot grant this benefit. Trustee Zimmer suggested that a motion be made that reflects that the board is not allowed to give any HR benefits to any state employees, and rescind the previous action.

Motion to reflect that the board is not allowed to give any HR benefits to any state employees, and furthermore to rescind any previous discussion contrary to that. - made by Zimmer, Second by Barnes.

Roll call:

Yes - Barnes, Beam-Callaway, Bruntz, Davis, Elder, Endacott, Kraus, Moore, Nelson, Spellman, Wirth, Zimmer

No – 0

Absent - Bristol, Fryer, and Schaepler

Motion carried

The board congratulated Director Jones on running a tight ship.

Governance Committee Report:

Elder stated that the committee had a good discussion and that there will be further discussion with the full board when they into Executive Session to discuss legal matters.

Personnel Committee Report:

Beam-Callaway reported that the committee had met in Omaha and thanked Lance Bristol for creating better director evaluation sheets. The board will evaluate the director prior to the July board meeting. Evaluation sheets will be sent out in mid-May through the NSHS Executive Assistant, and need to be returned by June 5th. The board will also need to meet with Trevor sometime before the July meeting.

The committee discussed the Emeritus Trustee program. It was determined that there should be more contact with the Emeritus Trustees and we should be getting more input from them. They should be invited to our annual meeting, and asking who wants to be involved, receive meeting agendas, and to keep them more involved. More should be done to recognize them at our annual meeting. Spencer Davis will reach out to them.

Director's Report by Trevor Jones:

Jones's report focused on the five goals of the strategic plan:

1. Grow Our Audiences
 - *Jones noted that this goal would be discussed in depth during Chris Goforth's marketing presentation after his report.*
 - Director Jones passed around a copy of A Brief History of Nebraska written by Ron Naugle, and edited by David Bristow. The book will be available for sale June 1st.

2. Increase Access to Collections:
 - Completed transition to new website, eliminated the old website. Focused on aspects of our digital operations. We brought in an outside consultant group, Lyasis, to evaluate our library operations. The same group also looked at our digital preservation and digital preservation standards. We are also working with another consultant to create a digital roadmap to provide better services to customers. This will be a major strategic issue for our agency as we know this is a major issue for the organization and that we will require more staff and resources to solve than we currently have available.

3. Grow Financial sustainability, increase income from all sources:
 - The legislative session was better than expected for us. We took a 2% cut instead of the originally suggested 4%. We received \$100,000 back for retirement payoffs. We are grateful for the help from Foundation lobbyist, Tim Gay. However, the 2% cut was still painful as we now have \$100,000 that we need to replace in next year's budget.
 - The hard work that we did over the summer with the Revenue Committee members paid off as there was no serious threat to the Nebraska Historic Tax Credit this session. Jones credited Jill Dolberg and the Historic Preservation team for their successful fund raising efforts. Latest studies show that since 2015 there has been a 750% return on the state's investment from the Nebraska Historic Tax Credit. The credit sunsets in 2022 and next year we will be working with the Foundation's lobbyist to extend the credit or make it permanent.
 - LB 379 passed which gives us the legal authority to transfer the Cather properties in Red Cloud to the Willa Cather Foundation.
 - A legislative bill passed that removes two Nebraska statues from the US Capitol and replaces them with two new statues. The statue of William Jennings Bryant will be replaced by a statue of Standing Bear. The statue of J. Sterling Morton will be replaced by a statue of Willa Cather. The Standing Bear statue does not impact us, but the Morton/Cather trade impacts us in that it will go through the Nebraska Hall of Fame Commission. We administer the Hall of Fame Commission and the commission will be in charge of fundraising. Funds were not appropriated for the statue.
 - We are doing well on the earned income front. The 3rd quarter is at the low end of our seasonal earnings. We may not hit our goal of increasing earned income by 46% increase over last year, but it will be close.
 - We have new rebranded items in stores, and new merchandise ordering procedures.
 - Fundraising project for Chimney Rock is going along well. The Foundation has raised 55% of \$1.7 million goal. The plan is that if fundraising continues to be successful we will close the visitor center in the fall of 2019 for renovations and open again in the spring of 2020.

4. Expand Outreach and Engagement
 - Attendance increased 8.8% last year and our goal is to increase it by an additional 8% this year.
 - We have hired two new educator positions. Jones thanked Marilyn Moore for her help with the search committee. In alignment with the strategic plan, the new educator positions have been organized to emphasize that education is something we do around the state – not only in the museum building. One educator will focus on NHM school programs, and the second educator will help improve our education programs at the sites and with all of our divisions.
 - We hired a new Tourism Facility Operator at Fort Robinson, who will focus on working with Game and Parks regarding interpretation of the fort. We will replace the maintenance position that will become vacant when Jerry Taylor retires in June. We have an archeologist on site. This gives us three year round staff members at Fort Robinson where we used to have only one. This reflects our emphasis on statewide outreach and strategic focus on our two western sites.
 - Will be in the process of hiring a Historic Preservation Outreach Coordinator. The outreach coordinator will conduct workshops on how to fill out tax credits, inform people on the different programs, and

contact the economic development offices in cities throughout Nebraska. We can fund this position using fees from the Nebraska Historic Tax Credit as well as federal funds so that it will not impact our state funding.

Trustee Barnes inquired on when permanent exhibits will be reinstalled in the Nebraska History Museum, as he feels current education and outreach at the museum are appreciated, but people have been asking to have past exhibits reinstalled. Barnes asked if there was a target date set for this. Jones stated that we do not have a target because we do not have the funds available. Barnes asked if the Foundation had funds available to get started on exhibits. Fattig stated that the Foundation does have some funds available to begin reinstalling the exhibits. Fattig added that some of their donors have also asked about reinstalling permanent exhibits such as the sod house, general store, and the earth lodge. She stated that a number of these exhibits were very meaningful to the donors and they would like to see something like that again.

Director Jones pointed out that the current strategic plan adopted by the board does not emphasize reinstalling permanent exhibits. To change direction, the board would have to decide what to drop in the current strategic plan and vote to make the change. Jones stated that museum attendance is higher now than it has been since 2003. Jones added that there have been some complaints from people who liked what we had before, but our attendance numbers are way up, so clearly we are hitting a need with what we are doing now.

Barnes suggested that the Sesquicentennial events may have brought the numbers up. Jones responded that our numbers clearly show that the type of community based exhibits pertaining to people's lives today are drawing a new audience. Attendance went up 8.8% and we are on track to do another 8%. Not all of that can be tied to the Sesquicentennial. What we had done before was not working and the attendance figures show that.

Barnes stated that a museum is a place of permanence to bring your family and that our museum is the only place that tells the story of the history of Nebraska. He went on to say that as he understood, we have an obligation to the legislature, and that promises were made to them to bring back permanent exhibits. Barnes suggested that the board set a timeframe of three years from today to have the permanent exhibits back in place, with the help from the Foundation.

Fattig stated that when the legislature approved the funds to overhaul the building, our part was to raise funds to make the museum a vibrant place of Nebraska history. Fattig added that in the past they had asked for budgets for exhibits, and that there are donors out there who are interested in seeing the museum, not necessarily restored back to the way it was, but to include some of the past fascinating exhibits. Jones reiterated that: 1) if the board would like to change or modify the strategic plan, then that would have to be a conversation because it is not currently on our task list and we do not have the resources or people to get this done. The board would have to decide what would drop off of the agenda in order to do this. 2) whatever we were doing at the museum in the past was not working and we have attendance numbers that clearly show this. We should not plan to bring back what was at the museum, because the museum was in a slow decline.

Fattig stated that the people who remember the museum are basically the check writers and they wonder why they cannot see something like those types of exhibits for their grandchildren. She added that it makes it tough for us in the fundraising field because inevitably the question why the permanent exhibits are not there comes up.

Barnes, stated that for the sake of discussion, the motion be made that “this board endorse the creation of a permanent exhibit that tells the story of Nebraska, to be in place three years from this date.” Nelson stated that he would second that motion, for discussion.

Trustee Spellman stated: “Whenever you start on an agreed upon strategic plan, and if you see that what is being done is moving forward in very positive way, you need to respect and give time for that plan to really prove itself that it is making the difference that we think that was the reason for the change that we were looking for. It looks like, from what we have seen, it is very successful. Change is always very difficult, but you have to do what you think is right for the long term of the organization, and at least give it the chance to prove one way or the other, and not say that there will not ever be permanent exhibits. We know that we are on a trajectory that is very successful, and when you look at what will hopefully happen after the rollout, of what energy that seems to be around... we owe it to ourselves that from the evaluation that we made and agreed to, that we need to at least try to move forward, and that there are always things that can happen.”

Trustee Endacott suggested that a friendly amendment be added to the motion: “That the board consider to think about long term, and to start having the conversation about what the role of the museum will be and what should be there for the next 50 years.”

Fattig stated that the Foundation is very close to closing on the Weese farm gift which was given for the benefit of the society. According to the terms in the Weese farm settlement agreement, which is now a \$1,630,000 gift, the Weese sisters' wishes were for a permanent agriculture related exhibit at the museum. Fattig then read part of the agreement document out loud to the board. Fattig suggested to the board that if the board makes an amendment to the strategic plan to include permanent exhibits, that they include the Weese exhibit to be a permanent exhibit that will change over time and could also be interactive, which might satisfy the donors who are asking for permanent exhibits.

Trustee Wirth stated that more information and study needs to take place before we can begin thinking about permanent exhibits.

There was much discussion on the issue. Endacott withdrew her amendment.

The question was called to vote on the original motion made by Barnes, Second by Nelson, for the board "to endorse the reestablishment of a permanent exhibit of Nebraska history at the museum."

Roll call:

Yes: Barnes, Nelson

No: Bruntz, Davis, Elder, Endacott, Krause, Moore, Spellman, Wirth, Zimmer

Abstain: Beam-Callaway

Motion failed to carry.

Director Jones continued his report to the board:

5. Increase Teamwork and Accountability

- We have implemented quarterly accountability metrics called rocks, with both team and individual rocks. Our goal for this year was to reach a divisional success rate of 70% by June 30, 2018. The rate when we started was at 37%, and in the last quarter the rate was 71%.
- We revised staff evaluation system in 2018 to focus on two things, living the organization's values and on meeting "rock" goals.
- Revised staff meeting format. Every staff meeting has a "curiosity moment" where we talk about how we can increase curiosity among ourselves and our visitors.
- All staff retreat will be on Monday.

Chris Goforth gave a presentation on the rebrand marketing plan:

On April 30th we will launch a more user friendly website. We are now in the process of cleaning up internal pages and bringing up pieces that the public wants to see and make it more accessible.

Other things that we are doing are:

- Creating new designs for merchandise in gift shops
- New graphics
- Heritage Tourism brochure
- Updating signage at sites
- New business cards

We plan to grow our audience by putting ourselves in front of those who may have never heard of us. Our official brand launch date is April 30th.

Our old name, the Nebraska State Historical Society has been our name for many generations. If it comes up in conversation, do not correct the person, but continue to introduce the new name within the conversation. Change will not happen overnight and that's fine – our goal is to use the new brand to acquire new audiences.

Statutorily we will remain the Nebraska State Historical Society. History Nebraska is our public face.

Several board members expressed support for the new brand and the rollout process.

NSHS Foundation Report

Leslie Fattig, Executive Director reminded the board of two important responsibilities of the NSHS Foundation, which are 1: to support the NSHS projects wholeheartedly, and 2: to adhere to the donor's wishes to make sure that we adhere to the various wishes that our donors make. Fattig added that the articles from the Weese settlement agreement that she had read to the board earlier should encourage the board to think about that. Even though the sisters have passed, we

must adhere to their wishes and use the money properly. Fattig will send the Weese settlement agreement to the NSHS Executive Assistant to be included in the board minutes.

Fattig continued on to give the Foundation report:

Year to Date Gifts:

7/1/18 – 12/31/18 = \$706,117.21

7/1/17 – 12/31/17 = \$629,250.26

7/1/16 – 12/31/16 = \$176,790.40

They are \$80,000 over what they were last year at this time.

The Foundation Annual Meeting will be April 28, at the Lied Lodge. They are adding 25 new trustees. Board nominees who will be elected at next week's annual meeting are Lizabeth Bavitz, Executive Vice President, Gail Potter, Treasurer, and Sue Clement. Fattig encouraged the board members to attend the annual meeting.

The Foundation has completed a grant request to Sunderland Foundation for \$300,000 for the Chimney Rock addition and another grant currently in process is to Kiewit and Daugherty Foundation for requests for the Chimney Rock addition.

Fattig thanked board members who attended the orientation.

June 1 & 2 will be the Cattleman's Ball

July 19, Kearney Meet and Greet

September – Archaeology Event at Ft. Robinson-TBD

Meet and Greet at the Zoo Bar - TBD

Data and projections on where the Foundation stands, and an overview of their progress were handed out by Fattig.

Tony Dworak thanked Tom Kraus for the previous day's tours and also thanked Tom and his wife Janet for their support of the 150 fund, and for educating them about gifts of grain. Anyone who has a business that has an asset can make a donation. Dworak will send the board the addresses of those who have given gifts so the board can give them credit and thank them in a personal way.

Dworak stated that follow-through is on the front burner for the Foundation. He stated that following through in what we promise is important. As the industry has become more and more consultant driven, organizations like ours have been starting to say what they are going to do, but simply do not do it. He's never seen anything like it before. He stated that the Foundation has been able to capitalize on many things by simply doing what we say that we are going to do, by following through on gift agreements.

Dworak reported that the Oldfather Fund is fully funded, and has been established for over a year, to put a Nebraska history educational component at the Archway in Kearney, Nebraska. The Foundation is in full follow through mode on that project, working with David Oldfather. Dworak stated that the Society will have whatever level involvement that they want to have in that effort, all the way from 100% to 0%. Dworak went on to state that it's going to happen no matter what, we promised it, and we signed on to it. We have partners who are ready to be a part of it. The Society is stretched on resources and personnel, which is fine, you can gauge yourselves on that, it's very flexible. This is an endowment fund that will be producing an amount of income every year primarily to teach Nebraska history to school children at the Archway.

- The Foundation has received a major gift in support of the Chimney Rock project.
- There is a \$100,000 naming right for the NSHS reference room in progress but not completed.
- The Nebraska History Museum auditorium has now been named for the Oldfather Family. No event is being planned for the naming rights, but it will be made known to the public.

Fattig added two other items:

- Ron Naugle's book is being funded through the Colonial Dames Publishing Fund.
- The new History Nebraska signage will be paid for by the Foundation from funds from special projects funds.

Trustee Bruntz advised the Foundation, as a precaution, as her many years as a major gift fundraiser, to never promise anything when signing agreements as the entity may not follow through due to extenuating circumstances. Fattig agreed that they would never put themselves in a position where they could not follow through.

Beam-Callaway expressed thanks to the Foundation for the reception that was held the previous evening.

Administrative issues

The board discussed the future use of board books for upcoming board meetings. It was decided that notebooks were no longer necessary and that the deaccession documents and previous board minutes would not need to be printed out for the meetings. All other information can be printed out, three-hole punched and stapled together for the board meetings.

Deaccessions: The question was asked whether or not donors were notified when items were deaccessioned. Donors are not typically notified. They typically give up all rights to the donated items.

Motion to approve deaccessions by Wirth, Second by Davis

Roll call:

Yes - Barnes, Beam-Callaway, Bruntz, Davis, Elder, Endacott, Kraus, Moore, Nelson, Spellman, Wirth, Zimmer

No – 0

Absent - Bristol, Fryer, and Schaepler

Motion carried

Formal Approval of Nominating Committee

District 1 – Katherine Endacott

District 2 – Connie Spellman

District 3 – Tom Kraus

Motion to approve Nominating Committee by Moore, Second by Davis

Roll call:

Yes - Barnes, Beam-Callaway, Bruntz, Davis, Elder, Endacott, Moore, Nelson, Spellman, Wirth, Zimmer

No – 0

Abstain - Kraus

Absent - Bristol, Fryer, and Schaepler

Motion carried.

Plans for Annual Meeting:

The big theme is to honor everyone statewide. The date has been locked down as the evening of Thursday, October 25th for the gala event/annual meeting and Friday, October 26th for the board meeting. It will take place in Omaha. The fundraising goal is \$100,000.

President Elder made the motion for the board to go into Executive Session to discuss legal issues and contracts at 11:45. Second by Endacott

Roll call:

Yes - Barnes, Beam-Callaway, Bruntz, Davis, Elder, Endacott, Kraus, Moore, Nelson, Spellman, Wirth, Zimmer

No – 0

Absent - Bristol, Fryer, and Schaepler

Motion carried.

At 12:08, Elder declared that no decisions had been made during the Executive Session. **Beam-Callaway made the motion for the board to go back into session. Second by Barnes**

Roll call:

Yes - Barnes, Beam-Callaway, Bruntz, Elder, Endacott, Kraus, Moore, Nelson, Spellman, Wirth, Zimmer

No – 0

Absent - Bristol, Fryer, and Schaepler. Davis left before the board went back into session.

Motion carried.

Other Business & Trustees Roundtable:

- Barnes will be giving a presentation of his *Nebraska Landmark Buildings* book at the Paxton Public Library at 10:00 on Saturday.
- Becky Uehling of the Perkins County Post newspaper encourage the board members to visit the Perkins County Historical Museum after the meeting.
- Endacott stated that she was a judge at Nebraska History Day. The winners were a group five sixth graders from Ainsworth. They will do a presentation in College Park, Maryland on the Orphan Train.
- Nelson stated that he attended the Restore Omaha Conference for the first time this year. He encouraged the board to attend next year's conference as it was very informative.

- President Elder thanked Trevor Jones and Michelle Furby for their work with the auditors, and also thanked Chris Goforth for his work on the rebrand. Elder also commented that the Nebraska History Moments that were put together by David Bristow and sent out during the legislative sessions were wonderful. Jones stated that he will pass along the compliment to the editor, David Bristow.

At 12:20pm President Elder made the motion to adjourn.

Roll call:

Yes - Barnes, Beam-Callaway, Bruntz, Elder, Endacott, Kraus, Moore, Nelson, Spellman, Wirth, Zimmer

No – 0

Absent - Bristol, Fryer, Schaepler, Davis

Motion carried.