

MEETING MINUTES

Call to order

A meeting of the History Nebraska Board of Trustees was held at The Archway in Kearney, Nebraska on July 20, 2018

Attendees

Lance Bristol, Ann Bruntz, Cherrie Beam Callaway, Spencer Davis, Kim Elder, Katherine Endacott, Heather Fryer, Tom Kraus, John Nelson, Vickie Schaepler, Connie Spellman, Eileen Wirth, Bryan Zimmer

Members not in attendance

Jeff Barnes, Marilyn Moore

History Nebraska staff in attendance

Trevor Jones, Lynne Ireland, Lana Hatcher, Michelle Furby

Guests in attendance from the Nebraska State Historical Society Foundation

Trixie Schmidt, Leslie Fattig, Tony Dworak

Approval of the April 20, 2018 minutes

Motion to approve minutes made by Ann Bruntz, Seconded by Vickie Schaepler

Roll call: yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Kraus, Nelson, Schaepler, Spellman, Wirth, Zimmer

Abstained - Fryer

No - 0

Motion approved

Committee Reports

Finance Committee – Lance Bristol

Treasurer's report: Biennial budget request timeline and plans.

There was a difference of approximately \$10,000 on the Legislative Appropriation for 2017-18 than was listed in the March report. This is because of the adjustment for retirement payouts that was granted by the Appropriations Committee. We received \$99,000, and the amount offset the cuts received. The amount of general funds remaining as of 6-30-18 is \$614,823.44. Amount of cash authority remaining as of 6-30-18 is \$2,091,923.15. Amount of Federal authority remaining as of 6-30-18 is \$260,139.76

Revenue sales and charges. We did much better this year on income and met the goal. Budgeted Revenue Total:

Budgeted amount for FY 17-18 = \$3,409,226.27; F& 16-17 Actuals = \$2,323,056.09; Planned change = 46.76%; FY 17-18 6/30/18 = \$2,805,991.26; Percent of budget = 82.31%; Variance = \$603,235.01.

The base budget for FY 20/21 is \$4,312,111.00. Trevor Jones and Michelle Furby are working on the budget submission which is due on September 15, 2018. They are instructed to notify the board when to speak to the senators about appropriations.

Treasurer Bristol reminded the board that long-term financial sustainability of the organization is a crucial strategic issue in the face of continuing state budget cuts.

Governance Committee – Kim Elder

Joint Operating Agreement with Foundation: We are in the process of working together to create a joint operating agreement with the Foundation. We will need three members from the History Nebraska board of trustees and three

members of the Foundation board of trustees to work on this. This will be a long process and may involve several meetings. If anyone is interested, please contact Kim Elder or Trevor Jones.

Cather Property Transfer: The transfer consists of six buildings plus vacant lots near the depot. The meeting of the Vacant Building and Excess Land Committee planned for July 16, 2018 was postponed due to not having a quorum. The meeting will be rescheduled in early August. The board will discuss and vote on any negotiations at our October meeting. No financial discussions have taken place yet, but will take place once we have funding secured. We have learned that we do not have to pay back \$27,000 owed to the 309 Task Force for repairs already completed. We will be transferring 7,659 collection items to the Cather Foundation and have agreed to a monthly contract (instead of the usual annual contract) for \$5,934.05 per month. We will be negotiating a preservation covenant, rights to images, and a cash settlement. The question was raised as to why we were considering paying the Cather Foundation to take the property? Director Jones responded that a cost benefit analysis shows a net gain for History Nebraska by divesting of these properties. In addition to the \$70,000+ annual support we currently provide to the Cather Foundation, we have unfunded maintenance responsibilities for these properties as well, and are contractually obligated for all repairs over \$500. Director Jones also feels that providing financial support will help the cause of Nebraska history statewide.

The Cather Foundation would like to have the transfer process completed by January 1, 2019. The Cather Foundation is concerned about absorbing costs in the transfer. Once the property is in the Cather Foundation's hands they will have access to a rehabilitation fund (CCCFF) that they can tap into to help maintain the buildings.

The Governance committee also discussed a new membership model and the upcoming October event. Changing the membership model is something that the governance committee will discuss before the next board meeting and they will then bring a proposal to the full board. Elder reported it was a very productive meeting.

Personnel Committee – Cherrie Beam Callaway and Bryan Zimmer

At 9:50am Zimmer made the motion for the board to go into executive session to discuss the Director evaluation. Beam Callaway seconded the motion.

Roll call: Yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Fryer, Kraus, Nelson, Schaepler, Spellman, Wirth, Zimmer

No - 0

Motion approved

At 10:22am the motion was made by Zimmer to come out of executive session. Fryer seconded the motion.

Roll call: Yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Fryer, Kraus, Nelson, Schaepler, Spellman, Wirth, Zimmer

No - 0

Motion approved

The board congratulated Director Jones for an excellent evaluation which was nearly 100% positive. This shows a lot of potential for our future under Jones' leadership. The Personnel committee recommends a salary increase for Jones at 6.2%. This increase is justified based on the positive evaluation, number of facilities under management, the number of staff, and the budget under management. They recommend a salary of \$140,000.

Motion to accept the recommendations of the Governance Committee was made by Davis, Spellman seconded the motion.

Jones asked to discuss the evaluation process, particularly on reporting on goals before the end of the fiscal year. An evaluation being done in May before the June 30th end of the fiscal year date presents problems by not allowing him to give the board accurate numbers. Could the board schedule the evaluation to occur right after the end of the fiscal year in order for the full year's progress to be reported? The board felt that this change would make things difficult as the evaluation results would then need to be discussed at the October board meeting. Instead, they agreed that **the board will condense the timeframe for the evaluation. They will ask for the director's self-evaluation to be completed by June 1st. Then the board will give their responses, and all the data will be assembled right before the July board meeting.**

Roll call on motion to accept the salary recommendations of the Evaluation Committee:

Yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Fryer, Kraus, Nelson Schaepler, Spellman, Wirth, Zimmer
No - 0

Motion approved

Endacott stated that Director Jones' list of key accomplishments and the board's evaluation comments should be included in the official board minutes.

Endacott made a motion to include these two key accomplishments in the record, Zimmer seconded the motion.

Roll call: Yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Fryer, Kraus, Nelson, Schaepler, Spellman, Wirth, Zimmer

No - 0

Motion approved

The two documents will be given to Director Jones and will also be placed in his personnel file.

Each board member will be receiving a personal board of trustee evaluation form. Marilyn Moore will produce the form. This will be discussed at the next meeting.

Nominating Committee – Katherine Endacott

The board of trustees' election slate consists of Vickie Schaepler of District 3, Chuck Schroeder of District 1, and for District 2, two individuals have been asked but have not yet committed to running. Both of these individuals are attorneys. Heather Fryer will let her Governor appointed position with the board lapse and will not ask to be appointed for another term. Self-nominations are due on August 26th. The nominating committee requests that ballots should note which candidates who are on the recommended slate. Application forms and petition forms can be found on the History Nebraska website.

Director's Report

Director Jones gave a power point presentation

Revenue and key goals for fiscal year 2017-2018

- Earned income increased by 25%
- Attendance increased 7.7%.

Web Traffic and Social Media Impact since the rebrand (4/30/18)

- Web use up 17.5%
- Omaha users up 42% (a key market for HN)
- Facebook reach up 122%
- Twitter followers up 37.6%

Chimney Rock Visitor Center Renovation Project

- State gift approvals in progress
- Fundraising deadline (\$1.7 million) is September 2019.
- Construction should be complete by May 2020.

Trustee Davis asked if there will be an effort for changes at the George Norris facility. Davis stated that Norris needs to be recognized for his contributions to the history of Nebraska. Director Jones explained that current priorities are Chimney Rock, Fort Robinson, and Neligh Mill. Norris does not cost us much to operate or it is not a major expense. We will work our way through the list, but we will not get to the Norris facility this year with the staff and financial resources currently available.

Beam Callaway asked about the future of the Nebraska History Museum. Jones stated that our attendance has risen for two years in a row after a 10-year decline. We are clearly doing something right and are meeting a need with the community based programming that we are doing now.

Also discussed were:

- Financial and organizational goals for 2018-19

- Three Year Plan budget and attendance goals (6-30-21)
- The exhibit *Looking Past Skin* received the Leadership and Innovation Award from the Mountain Plains Museum Association. The award will be presented at the MPMA conference in Billings, MT on September 14th. Credit goes to Sharon Kennedy who built excellent community partnerships.
- A Historic Tax Credit event will be held in Chadron on August 3rd.
- The “Start your Engines” exhibit on 1950-60 stock cars will open on August 25th with a grand opening event from 2:00 – 6:00pm. The street in front of the museum will be closed off for a stock car showing, food trucks, and a band. All board members are invited!

Fryer commended Chris Goforth and his marketing team in regards to our social media and online presence and also in terms as how history is being reconceptualized on how it’s reaching people. Director Jones will pass Fryer’s comments on to Chris and the marketing team.

Nebraska State Historical Society Foundation Report

A copy of the Weese Farm reconciliation and the Settlement Agreement was handed out to the board members for review. Foundation President, Trixie Schmidt spoke about the Weese farm agreement. The farm sold for \$1,506,000.00. On page five of the agreement, it lists that the board is to be legally notified that they are included in the document. If money is left over, the board will have to vote on how it is to be spent. The Foundation strongly prefers not to use any of this money as support for the Cather properties. With Director Jones and President Kim Elder, they are looking at other fund that could be used for this purpose. We have agreed that attorneys on both organizations will look at the Weese Farm Agreement to determine if the Foundation can recoup expenses over time and if funds can be transferred to other organizations.

Executive Director of the Foundation gave the current fundraising financial report:

- Total contributions received for FY 2018-18 is \$763,927.76 which includes a \$6,455.00 estate gift.
- \$570,000 was given in support to History Nebraska.
- Grant requests for the Chimney Rock addition have been submitted to the Sunderland Foundation, the Daugherty Foundation and the Kiewit Foundation. The grants have not yet been approved. The Dillon Foundation gift for the Chimney Rock addition of \$450,000 was received in 2017.
- The Foundation’s 76th Annual Meeting was held on April 28, 2018 and they welcomed 28 new trustees. A complete list of trustees was handed out to the board.
- Tony Dworak is currently working on three gifts, each are over six figures.
- The newest 150 Fund member is the Nebraska 150 Foundation.
- Meetings have been held with David Oldfather regarding exhibits at the Archway. They plan to meet their goals to create exhibits. Trailblazers have been shared to explore developing a curriculum for 4th graders at the Archway.
- Upcoming Foundation Event: “A History of the Zoo Bar” will be held on August 12, from 3-6 pm at the Zoo Bar.
- The 2019 Legislative Reception is planned for February 28, 2019 at the Nebraska History Museum.

Guests from the Nebraska State Historical Society Foundation left the meeting after the Foundation report was given.

Administrative Issues

Housekeeping changes due to the organization’s name change

Name change to History Nebraska is needed on the Bylaws, Code of Ethics and the Governance agreement.

Motion to make the changes to the documents was made by Beam Callaway, Kraus seconded the motion.

Roll call: Yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Fryer, Kraus, Nelson Schaepler, Spellman, Wirth, Zimmer

No - 0

Motion approved

Discussion of Vacant Building and Excess Land action on Cather properties – This topic was covered earlier in the meeting. Davis asked if it was possible to stagger the transfer in a way to cut down on costs or if it was to be done all at one time. Jones replied that it was the Board of Trustee’s decision to complete the transfer all at once in order to eliminate liability. Other board members agreed that it might hurt the Cather Foundation if we were to stagger the transfer because they would not have the funds for maintenance and it would potentially delay their plans for the future of the buildings.

Deaccessions –

The majority of items to consider for deaccession are collections to be transferred back to the Cather Foundation.

Bristol asked if it is possible to auction off the items or to offer them to other museums. Director Jones explained that History Nebraska has the authority to auction items and has done so in the past. The History Nebraska board controls the collections and their disposition and has full statutory authority dispose of collections. There is already a trust fund in place for the proceeds of any sales. By American Alliance of Museum ethical standards, this fund can only be used to acquire new pieces or for care of the collections that we already have. President Elder called for a motion to approve the deaccessions. **Motion to approve of the deaccessions given by Bristol, Endacott seconded the motion**

Roll call: Yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Fryer, Kraus, Nelson Schaepler, Spellman, Wirth, Zimmer
No - 0

Motion approved

Discussion of preliminary plans for proceeds from the Weese farm sale

Director Jones passed around a document he drafted in April with his thoughts on how the organization can best honor the terms of the Weese Farm Settlement Agreement after the farm was sold. (\$1.5 million) He and other board members explained the history of the agreement: The five and ten year provisions listed in the Weese agreement have passed and the property has now been sold. The original donors had wanted the property to become a living history farm, but that did not occur and a lawsuit was later settled. The settlement agreement (April 2000) was between the Foundation and the Weese sisters, but it obligated the Nebraska State Historical Society to abide by the terms of the settlement. The settlement states that proceeds go to the Nebraska State Historical Society at the direction of the Board of Trustees.

The Foundation feels that they are owed \$106,000 from the proceeds of the farm sale due to expenditures since 1984. The Foundation also holds additional money (approximately \$100,000) in a "Weese Farm Fund" holding proceeds from the rental of the farm and property. Since the property was acquired, no funds have been used to support the Nebraska State Historical Society. The Foundation has provided an accounting showing that since 1984 they have lost money on the property.

The Board of Trustees noted that nothing in the Settlement Agreement states that any of the proceeds from the sale can be paid to support the Foundation's expenses. Board members stated repeatedly that it is important that we do this correctly and get a legal opinion on how best to proceed. The agreement is not necessarily clear and time needs to be spent on looking it over.

The board stated that resolving issues like the Weese Farm is a great motivation to complete a Joint Operating Agreement with the Foundation to clearly spell out the roles of each organization. An agreement is needed to allow us to understand our goals and responsibilities. It is important to get this done before January. President Elder stated that three of our board members will meet with three of the Foundation board members to put together a joint operating agreement and that he would continue to ask for volunteers.

Wirth read a resolution prepared by the Governance committee regarding the Weese settlement agreement. **Wirth made a motion asking the board to accept the resolution, Spellman seconded the motion.**

The board discussed the language of the motion, which stated that the board would abide by the terms of the settlement agreement. Bristol expressed concern that it was premature for the board to do this before we had clarified the terms of the settlement agreement. Elder explained that the board wanted to demonstrate its intent to honor the Weese sister's wishes, but agreed it would be prudent to have a lawyer review it first. Nelson agreed that there should not be a resolution at this time. He stated that the lawyers should be contacted and the board should discuss and approve a resolution after receiving the advice of lawyers. Fryer agreed, but stated that it is important that the board state that we follow the will of the donor. Davis stated that It isn't always easy to directly follow the will of the donor, but we can attempt to carry out the will of the donor as closely as possible. Zimmer asked if a sunset provision was ever a part of these types of agreement? Bruntz responded that today there is a sunset clause in almost every agreement, but rarely in the past. Lynne Ireland stated that another thing for the attorneys to look at would be whether or not the NSHS is bound by a legal document in which it is not a signatory. We are not a signatory for the settlement agreement.

Wirth withdrew the motion and asked for it to be placed for discussion at the October meeting.

Plans for Annual Meeting

The gala event will be held in Omaha on Thursday, October 25th, at the World Herald Freedom Center, and will honor the newspaper industry. John Gottschalk will be honored as the avatar for all of the people who have owned newspapers in Nebraska. Families who founded newspapers in Nebraska will be invited. We will put together a video for the event, a primer on fun Nebraska newspaper facts, and the history of newspapers in Nebraska. We will raise external support and sponsors. If any board members plan to write a check in support of History Nebraska this year, they should do so now in order to be named as a sponsor of the gala. The board of trustees meeting will be held at the Kutak Rock building on Friday, October 26th. The Annual Meeting portion will be held at the board of trustees meeting. We will be given a tour of the Kutak Rock building. There will also be a tour of the Gerald R. Ford Conservation Center at 2:30pm in the afternoon, prior to the Thursday gala.

Other Business

Beam Callaway relayed a message from former board member Jose Garcia stating that the Chimney Rock sign was in need of repair. Jones stated that this may not be a sign we own. However, we will investigate to determine what sign Jose is concerned about.

Bristol expressed his thanks to Vickie Schaepler on scheduling the tours for the board members and her help in setting up the board meeting.

The History Nebraska marketing team developed ideas for possible awards to be purchased and presented to museum volunteers across the state. This would be low cost and provide high exposure as an important way for the History Nebraska board of trustees to recognize the countless volunteers for their efforts to preserve the history of Nebraska. We can ask the Nebraska Museum Association members to send nominees to us. This would be a one of a kind recognition from History Nebraska. Jones shared the photos of award ideas with the board. **Bristol and Calloway agreed to provide Jones feedback on these items.**

President Elder asked for a motion to adjourn the meeting. **Motion to adjourn was made by Nelson, Kraus seconded the motion.**

Roll call: Yes – Bristol, Bruntz, Beam Callaway, Davis, Elder, Endacott, Fryer, Kraus, Nelson Schaepler, Spellman, Wirth, Zimmer
No - 0

Motion approved

Meeting adjourned at 12:26pm.