

**The Ohio Historical Society
Board of Trustees Minutes
Thursday, July 16, 2009 10:00 a.m.
Ohio Historical Center – Classrooms 1 & 2**

Trustees Present: Richard T. Prasse (President), David Baker (Vice President), Jon Elsasser (Vice President), Glenda Greenwood (Treasurer), Tom Adkins, Randy Buchman, Cynthia Chester, Jan Devereaux, Bob Goldberg, Tom Johnson, Joe Leonard, Linda Litter, Cathy Nelson, Dick Ruppert, Ron Ungvarsky, Rod Willcox and Emeritus Trustees Pat Eldredge & Grant Douglass

Via Teleconference: George Jones

Regrets: Rich Simpson (Secretary), Neil Mortine & Joe Nava

**Ex Officio's
Present:**

Michael Herschler (representing Ohio Academy of Science), Beth Cortolillo (representing Eric Fingerhut, Board of Regents), Rob Berger (Chair, Development Board) and William Muthig (representing Deborah Delisle, Ohio Superintendent of Education)

Staff Present: Bill Laidlaw, Tom Barry, Connie Bodner, Sharon Dean, George Kane, Todd Kleismit, Melanie Nye, Kim Schuette, Jim Strider, Jeff Ward & Janet Hawxhurst

I. CALL TO ORDER

President's Report: President Prasse called the meeting to order at 10:05 a.m. Prasse welcomed Ron Ungvarsky and Cathy Nelson as new board members, Rob Berger as the new Development Board Chair and serving in an exofficio capacity to the OHS Board of Trustees and congratulated Grant Douglass on becoming a newly elected emeritus trustee. Prasse presented Douglass with a gift from the board for his outstanding commitment and service as a former Board President and member during his nine year tenure as a trustee.

Prasse stated it is the worst of times and the best of times; the board will be asked to balance a budget that impacts staff and to welcome a new executive director at the end of the year as Bill Laidlaw prepares to retire end of December. He stated that challenges mean opportunities and that OHS will be reaching out to communities to seek help managing OHS sites and that everyone will have to do a better job at managing resources. He reminded the board that we are a statewide society and that future board meetings may be scheduled around the state in an attempt to get better acquainted with community leaders around our sites.

Executive Director's Report: Bill Laidlaw reported the staff is determined to make the most out of the budget situation, to reinvent ourselves and to establish a stable base. Laidlaw reported we will not dwell on the negative in spite of the fact that our state operating support has been cut 42.5% from two years ago placing OHS back at the level of state support it was allocated in 1986. He reported that the tax check off provision was removed at the last minute from the state budget, which was a deep disappointment. On the positive side, \$423K still remained in the 508 line that was promised to OHS and has not been designated to any other organization at this time. Staff are not counting on the 508 money but certainly need it and if awarded would recommend that it be used for subsidies to site management organizations. He reviewed the many dichotomies OHS is faced with (sites vs. collections, central Ohio vs. statewide, quality vs.

mediocrity, etc.) but vowed that OHS will seek to do fewer things, do them well and seeks ways to achieve financial sustainability in these uncertain times.

II. CONSENT AGENDA

President Prasse sought approval of the consent agenda by acclamation if there were no corrections. Patricia Eldredge noted one correction; Greg Myers' name needs to be added to the CEO Search Task Force on the 2009-2010 Committee Roster in II.C. ii. Prasse declared with the one item revised the consent agenda be adopted in one motion:

Approval of February 27, 2009 and June 26, 2009 Minutes

Motion approved to approve the minutes of the February 27, 2009 and June 26, 2009 Board meetings as distributed in the Board packet.

Approval of Compensation Policy of Highly Paid Employees: recognizing OHS's desire to comply with the new IRS Policy and recognizing the oversight role of the Executive Committee that traditionally performs the role of reviewing the compensation arrangement with the Executive Director and reviewing compensation of Division Heads. Motion approved to approve the Policy on Compensation on Highly Paid Employees

Approval of Committee Members and Charges:

Motion approved to approve the membership of and charges for all board committees for fiscal year 2009-2010 with the revision of adding the name of Greg Myers to the CEO Search Task Force.

III. COLLECTIONS

Sharon Dean reported as part of OHS's review of our accreditation materials, the American Association of Museums (AAM) pointed out that our policies regarding use of proceeds from the sale of deaccessioned collections is inconsistent with recently revised federal accounting guidelines dealing with the capitalization of collections. George Jones, Chair, noted the Collections Committee reviewed the policy thoroughly and reported the Collections Committee moved to propose the following motion before the full board.

Motion: The Society's Collections Management Policy be revised with editorial changes as well as a clarification to restrict proceeds from the sale of any collections to the acquisition of new collections per proposed changes on page 14 of the revised Collections policy. Motion carried.

IV. PHYSICAL STRUCTURES & LOCATIONS

Dave Baker, Chair, commended staff for the excellent job they did processing the many tasks preparing for the site management agreements. George Kane summarized the results of the two public meetings held in regards to management agreement discussions proposed for National Road/Zane Grey and Fort Ancient. Kane noted for the first time OHS has received more than one bid for the management agreements at two sites, and he reviewed the process for reviewing bids. The Board asked staff to update spending reports for sites. After considerable discussion the following motion was proposed:

Motion: To authorize staff to enter into agreements with the Highland Nature Preserve, Inc., doing business as the Arc of Appalachia Preserve System, for the day-to-day management of Serpent Mound and Fort Hill and with the Dayton Society of Natural History for the day-to-day management of Fort Ancient with the terms and details as established by staff. The motion carried.

V. FINANCE

Eleven Months Actuals and Forecast—Glenda Greenwood, Chair, thanked the Finance Committee and staff for their diligence and hard work in preparing this budget under difficult times. Jeff Ward, CFO, reported the accounting staff are working on year-end and preparing for the auditors' arrival next week. Ward reported improvements in Society cash management practices, reviewed the financial snapshot, and noted the Society could possibly break even for the fiscal year (will know in a week or so and will share with the Finance Committee). He reported at eleven months ending an Operating Income of \$521K on Total Revenues of nearly \$19M and Total Expenses of \$18.4M. Total revenue is down \$3.5M compared to budget primarily due to the effect of the state subsidy rescissions as well as lower usage of state capital appropriations. Expenses were lower than budget by \$4.3 M, primarily due to wage/fringe savings and construction (capital) costs.

FY10 Budget— Jeff Ward, CFO, reported the Finance Committee met four weeks prior and contemplated three budget scenarios projecting savings in state operating support: Best Case (OBM version \$10.7M), Middle Case (Senate version \$10M) and Worst Case (10% reduction from Senate version \$9M). Ward reported “our worst case wasn't the worst case” and are now dealing with the Governor's Framework budget of \$7.3M for OHS, which takes the Society's state funding level back to 1986. As a result of this significant reduction in state subsidy funds, OHS has had to revise its priorities, forcing staff to focus its efforts on priority items identified in the “Futures” document. Two priorities — CLC (Collections Learning Center) and web portal development will be funded significantly through capital dollars that have already been established. The 42% budget reduction in state subsidy unfortunately will lead to reduction in staff and not filling vacant positions (reduced temporarily access to museum and Archives Reading Room to one day a week, cease public programs in FY10, eliminate \$300K greenhouse funds, cease publication of *Timeline* (if private funding is not obtained), eliminate Facility Use staff on December 31 and require two weeks of staff furlough).

Ward reviewed OHS recent budget history and the FY10 proposed budget summary, FY10 budget major variances by line item, and the FY09 & 10 comparison of revenue and expense. He noted the positive side of all this means OHS now has a chance to retool, move forward and be able to focus staff's efforts on establishing a better future for the Society. After considerable discussion, the following motion was made by Rod Wilcox and seconded by Jon Elsasser. The motion carried with one opposition by Tom Adkins.

Motion: To approve the FY10 budget as presented, based on the assumption that OHS will receive, at minimum, the amounts listed in the Governor's Framework Budget. If the Society receives additional funds, management is authorized to utilize these funds by following the priorities listed on the “Add Back” list included in the board packet.

The meeting moved into Executive Session.

The meeting adjourned at 12:05 p.m.

Respectfully submitted by Janet Hawxhurst CPS/CAP.