

The Ohio Historical Society
Board of Trustees
Wednesday, August 20, 2008 – 10:30 a.m.
Ohio Historical Center – Classrooms 1 & 2

Trustees Present: Richard T. Prasse (President), Jon Elsasser (Vice President), Glenda Greenwood (Treasurer), Tom Adkins, Randy Buchman, Cynthia Chester, Jan Devereaux, Grant Douglass, Bob Goldberg, Joe Leonard, Linda Litter, Priscilla Mead, Neil Mortine, Joe Nava, Pat Eldredge (Emerita) and Lucy Porter (Emerita)

Via Teleconference: David Baker (Vice President), Tom Johnson, George Jones & Dick Ruppert

Regrets: Rich Simpson (Secretary) & Rod Willcox

Ex Officio's Present: Amir Eylon (representing Ohio Department of Development), John Douglass (representing Ohio Academy of History), Michael Herschler (representing Ohio Academy of Science), William Muthig (representing Ohio Department of Education), Greg Myers (representing OAHSM) and Jeff Ruppert (representing Governor's Office)

Staff Present: Bill Laidlaw Laidlaw, Rachel Tooker, Jackie Barton, Connie Bodner, Susan Tsen, Todd Kleismit, Melanie Nye, Jim Strider, Janet Cole and Fritz Milligan (Legal Counsel)

I. CALL TO ORDER:

President's Report – President Prasse called the meeting to order at 10:35 a.m. Mr. Prasse welcomed trustees and newly appointed exofficio John Douglass, representing the Ohio Academy of History as their current President. The president noted trustees will be receiving written requests for annual fund contributions. He encouraged trustees to increase their gift this year and that 100% participation is desired. He also reminded trustees that they are required to be members of the Ohio Historical Society while serving on the board. Mr. Prasse noted that items reported in the Consent Agenda should be read by trustees prior to the meeting. He stated that if there are any questions, trustees may ask that an agenda item be pulled from the consent agenda for further discussion. Otherwise, the President reported his intent is to seek action on the entire consent package. He noted there are significant changes in the organization being recommended by the staff for fiscal year 2010 and beyond and will be addressed more in depth in the Executive Session.

Executive Director's Report – Executive Director Bill Laidlaw welcomed new trustees and noted there were Board of Trustee Orientation notebooks at their chairs. A New Board Member Orientation will take place in early fall. Dr. Laidlaw asked to add approving/acceptance of the Committee Chairs and committee member appointments for 2008-09 to the Consent Agenda. He reported staff has started a search for the Chief

Financial Officer but will reduce emphasis until a budget is outlined for 2010-11. Bill Laidlaw thanked Lucy Porter and Ted Prasse for their assistance in securing \$75,000 from American Electric Power (AEP) for the Rockwell Exhibit.

Bill Laidlaw presented a review of the state's declining support over the past eight years. He noted it is unlikely to improve in the next 3-5 years and that the Society may be asked to give back more in FY09 on top of the current \$4.75% rescission already ordered by the state. To make matters worse, this budget could be the base for additional 10% reductions for the FY10-11 biennium budget. Bill Laidlaw noted with less funding, the Society for over seven years has been forced to perform unfunded mandates and to do more with less funding. The most recent rescission forced the Society to abandon its entrepreneurial business model as a way to become more self-reliant. Access has been reduced so much that it has harmed the Society's ability to generate private admissions, parking and store sales revenues. Dr. Laidlaw proposed a strategy for FY10-11 that included the Society deciding what's core to OHS, balancing our own resources and responsibilities that will lead to focusing on fewer functions, and saying "no" to other responsibilities and managing our stakeholder perceptions as to why we will be dropping services as we did during our last cutback.

Dr. Laidlaw outlined a process and some options for strengthening the organization and its future. The staff recommends emphasizing those activities the Society plans to invest in, strengthen them, engage partners to help implement and to spread support statewide.

Bill Laidlaw announced his contract expired in August and that he wished to continue and not leave OHS while facing the difficult challenges ahead. He noted his desire to remain a short while longer to help find another business model for the Society. He reported the board has renewed his contract for another 14 months.

II. CONSENT AGENDA:

President Prasse added the approval of the Committee Chair/Member assignments for the FY08-09 year to the Consent Agenda. President Prasse declared approval of the consent agenda by acclamation. Consent Agenda Items Approved in One Motion:

Approval of June 27, 2008 Minutes

Motion approved to approve minutes of June 27, 2008 Board meeting as distributed in Board packet.

Fort Meigs Land Acquisition:

Motion approved to authorize staff to work with the Ohio Cultural Facilities Commission and the City of Perrysburg to acquire the LaPoint property adjacent to Fort Meigs and to accept management of the property as part of the site under existing agreements with the Commission. Prior to the purchase, all environmental contamination must be remediated and the building demolished, or plans and funding must be in place to accomplish the same.

Fort Laurens Easement:

Motion approved to grant an easement to the Village of Bolivar across a section of the Fort Laurens site to allow the construction and maintenance of the extension of the Ohio-Erie Canal Towpath Trail to the north as shown on the attached plan.

Committee Charges and Committee Appointments:

Motion approved to approve the charges for the Education and Outreach Committee, CEO Search Task Force, Physical Structures and Locations Committee and Collections Committee and the appointments of Committee Chairs, Vice-Chairs, and committee members for the FY2008-09 year.

III. FINANCE

FY08 Unaudited Year End Results – Susan Tsen, Accounting Manager, reported the Society ended FY08 with a change in net assets of (\$1,062) vs. a budget of (\$228K). Net Realized and Unrealized Gains and Losses accounted for (\$990K) of the operating loss and one time expenses of \$78K for the April/May reduction in force. She reported while the Society's realized and unrealized gains and losses had been budgeted at (\$330), by implementing additional cost control measures midway through the year, the Society ended up with an income surplus of \$6K.

Rockwell Funding – Dr. Laidlaw reported that Institutional Advancement has raised a little over half the goal for the Rockwell Exhibit and they are still working diligently to obtain additional funding. The admissions revenue was calculated very conservatively for a break-even point and it is very possible additional revenue may be provided through admissions to offset any shortfalls in private fundraising. Bill Laidlaw recommended to the board that any shortfall of revenue could be covered by a withdrawal from board designated reserve funds.

After considerable discussions Joe Nava moved that any shortfall be covered with board designated reserve funds. Joe Leonard seconded the motion. The motion carried with Jon Elsasser, Glenda Greenwood and Linda Litter abstaining from the vote.

IV. FY10-11 BUDGET

Priorities for FY10-11 Budget – Dr. Laidaw reviewed the Planning & Assessment Retreat prioritization that took place in June 2007 and reported that staff prepared their budget approach on that basis. He reported the Office of Budget and Management (OBM) has instructed OHS to deliver a budget proposal to the state that assumes a 10% or \$1.35M reduction affecting each year of the FY10-11 biennium. The 2% FY08-09 State appropriations rescission implemented in April 2008 led to reductions in force, reduced access and has constrained the Society in fulfilling its mission, delivering public value and achieving the increases in non-state revenue goals. He reported with further cuts in FY10-11 (10% or \$1.35M each year) the challenge becomes even greater. He impressed upon the board that it is time to seriously rethink how we reposition the Society to ensure that we are providing history experiences that are active and alive,

well-positioned to serve a future generation of Ohioans and have sufficient programmatic depth to give us a competitive advantage in serving our target audiences.

Several principles were recommended by staff to support the budget assumptions. Staff recommends focusing efforts on activities that improve and strengthen educational delivery capabilities and shift from “doing what we’ve always done” to doing what we need to do to remain vital. Staff recommended the following three focus areas for the future: **Historical Collections Care and Access** (two and three dimensional collections); **Updated Educational and Interpretive Programs** (significant changes in ways people connect with and use history); **Outreach Services** (partnering with outside groups in providing technical and other support to individuals working on history related endeavors around the state); and additional investments in **information and web-based technology** and **marketing** to support the three core functions.

Bill Laidlaw indicated that supporting these core functions would mean that all of the resources available to the Society (both people and financial) would be devoted to those activities and to no others. This restructuring would mean seeking future partners for historic sites with local communities, seeking administration changes in the Historic Preservation Office, seeking changes in the Business Ventures operations and the use of Ohio Village for generation of public events that support educational programs that can produce additional needed revenue. Bill Laidlaw noted the financial analysis for the restructure option presently shows a deficit, but it should be noted that the organization takes significant steps forward in fixing its financial structural imbalance. He implied that with more detailed planning and analysis, staff believes OHS can begin to close the deficit, although it may take a few years to fully develop and that there may be a need to advance some reserve funding in FY10-11.

The board will discuss the Executive Summary Section of the Draft Cover letter for Biennial Budget Submission and the financial analysis prepared by staff in the Executive Section as it includes information on personnel changes. There is a motion that the Board approve the budget assumptions to guide the development of the Biennial Budget of FY10-11 as presented earlier in the meeting. Final action will be taken during the Executive Session.

The board recessed for lunch at 12:05 p.m.

V. EXECUTIVE SESSION

The board moved into Executive Session at 12:45 p.m.

The meeting adjourned at 1:30 p.m.

Respectfully submitted by Janet Cole CPS/CAP.