

## Indiana State Museum and Historic Sites

Regular meeting of the Board of Directors

March 4, 2020

*Board members present:* Bill Browne, Chair; Steve Anderson, Melissa Caito, Linda Conti, Andy Dahlem, Thao Nguyen, Greg Pemberton, Roland Shelton, Judy Singleton, Liz Witte

*Board members present via phone:* Gary Anderson, Nancy Jordan, Kathy Roudebush, Alice Schloss

*Board members not present:* Andrew Briggs, Gregg Summerville, Mary Walker, John Wechsler, Robin Winston

*Others present:* Cathy Ferree, ISMHS president and CEO; Amy Ahlersmeyer, chief marketing officer; David Daum, vice president of finance and IT; Nora Woodman, chief development officer; Susannah Koerber, chief curator and research officer; Catrena Morrow, executive assistant and board liaison; Michele Greenan, director of archaeology; Kristina Breckenridge, intern- Indiana State Republican Caucus

*The regular meeting of the Indiana State Museum and Historic Sites Board of Directors was called to order at 12:38 p.m.*

### **Collections piece**

Susannah Koerber, chief curator and research officer; presented the Lincoln Wallet which has been in the ISMHS Lincoln Financial Foundation collection since 2009. The wallet dates back to the mid 1800's, which coincides with the time Lincoln was managing his own law firm until he was elected into presidency. The wallet's leather is stressed with indentations of Lincoln's fingerprints showing his continuous use of the accessory, and has his personal signature on the inside flap which reads, "A. Lincoln - Springfield, IL."

Additionally, Lincoln's pocket knife was found inside the wallet which includes a small cartouche engraved "A. Lincoln." The blade of the knife is also engraved and contains a hallmark indicating the knife's origination in Sheffield, England in 1855 which further confirms the time period of the piece. Susannah noted that Lincoln would use the knife for practical reasons, but would also use it to whittle when he was nervous.

Susannah discussed the value of the museum's partnership with the Allen County Public Library in Fort Wayne, IN, which houses and has digitized a portion of the Lincoln Financial Foundation collection due to its capacity as a library/museum hybrid. This gives the collection and pieces such as the Lincoln Wallet more visibility, and exposure to a broader audience.

Indiana State Museum & Historic Sites

Board minutes

March 4, 2020

## Consent Agenda

The consent agenda presented includes:

- December 4, 2020 board minutes
- ISMHS Collections board report for 2019
- Proposed deaccessions

Motion was made and seconded, all present voted in favor, and the consent agenda was approved as presented.

## Audit Finance

David Daum discussed the current and projected status of the museum's finances; noting that the museum is currently focusing primarily on the F1 - Annual Operating Fund. David reviewed the Executive Summary and Financial Highlights Analysis which indicated that YTD revenues are at \$6.6M, expenses are at \$6.3M, with a net increase of \$274k through the end of January 2020. Currently, projected forecasting indicates we are looking at a net profit of \$39k by the end of FY20.

Revenue concerns are based on the following four line items:

1. General admissions - YTD variance of \$61k; projected to be below prior year by \$32k.
2. Membership – YTD currently down by \$17k from prior year, and we projecting the same numbers for year end.
3. Individual contributions – YTD down \$57k over prior year, and is projected to be below prior year YTD by \$12k
4. Sponsorships – YTD currently in the positive, but forecasting shows sponsorships are estimated to be down \$22k below prior year.

Amy Ahlersmeyer discussed the museums plans to increase membership and general admission; noting that in February 2020 the museum had 718 more visitors YTD than YTD February 2019. Amy attributed the spike in numbers to the opening of the museum's FIX: Heartbreak and Hope Inside Our Opioid Crisis exhibit, and states the exhibit is currently driving those numbers. She also noted that the museum will be implementing different membership strategies to attract new members such as "Smithsonian Free Day" which will take place April 4, 2020, and plans to have messaging displayed throughout the museum promoting membership and highlighting member value.

Nora Woodman discussed the museums plans for increasing individual contributions and sponsorships. Nora states that through the end of February 2020 there has been some movement in individual contributions and variance is not as great. She plans on working closely with the museum's director of individual giving to implement a 5-prong strategy that includes spring renewals, targeted spring appeal to members, LYBUNTS, possible matching through corporate affiliations, and board renewals.

Nora stated to reduce the gap in sponsorships, she is will be looking at roughly 10 donors who gave last year, but have not given so far this year. Nora added that the total number of donor prospects the museum currently has is double the amount we would need to fill the gap, which is encouraging.

Bill Browne added to the discussion by recommending increasing board giving from a \$1,000 to a \$2,500 baseline to help close the gap in individual contributions.

David stated there is no major concern regarding expenses at this time, with about 76% of all museum expenses being payroll and benefits related.

Cathy Ferree discussed the Jan. 20 YTD Dashboard, indicating that there is currently no “red” visible and the last line of the dashboard is “green.” Cathy stated that since we have begun to target schools, the museum has seen a major comeback and is running ahead with regard to school groups. She emphasized that we are using the Rube Goldberg experience as a draw for members, as it is a very interactive, hands on, family-oriented experience, and is a major attractor with regard to our specific member audience.

Cathy also mentioned the museum will be introducing the “Daniel Tiger” exhibit in the early part of FY21, and expects the experience to give the museum a big boost in the fall.

### **Investments**

Gary Anderson discussed fourth quarter closing stating that the endowment increased from \$3.9M to about \$4.12M.

The fourth quarter return was 5.6%.

Overall, the museum’s one year performance shows that we are in the top third of our peer group, with a 20.4% one year return. This is mainly due to Public Equity Large Cap stock performance throughout 2019. The museum’s three year performance is 9.0%, which also puts us in the top third among our peers.

Anderson presented a graph displaying the swing trends of a 30yr S&P with regard to the Disaster Analysis Model, and stated there is really no way to predict how much destruction there will be in the supply channel in the event of a disaster. Gary noted that data included in the current disaster model is premature, and making any changes to the museum’s portfolio at this time would be inappropriate. He also stated that we are “okay”, but still need to review our policies with regard to asset allocations; which will take place at the next investment committee meeting. As of now there is no strong implication that a significant change in the museum’s allocations are in order.

Gary recommended on behalf of the investment committee that the \$200k bequest from P.E. McAllister be contributed into the ISMHS endowment fund.

Motion was made and seconded, all present voted in favor of contributing the \$200k McAllister bequest to the ISMHS endowment fund.

## **Development**

Nora Woodman discussed the organization's funding streams, showing where we currently stand with respect to funding sources, how that compares to the latest research in the field of professional fundraising, and what does that mean for the board.

Nora noted that the largest source of funding for the museum comes from state appropriations, but indicated that gifts, grants and sponsorships are the museum's major focus and is where the organization needs the most strategic attention with regard to long term sustainability. Woodman listed the three main funding sources that make up contributed revenue for the ISHMS operating budget, which are corporations, individuals, and foundations.

She highlighted information provided by the IUPUI Lilly Family School of Philanthropy, from a study conducted annually called "Giving USA". The study includes data regarding charitable giving across the United States, and is a useful resource for nonprofits laying out their fundraising strategies. She pointed out two findings from the report which can aid the museum's fundraising strategy and inform our tactical approach.

Nora noted that the first key finding shows the greatest potential for growth in the fundraising program at the museum is individual donors. She added that the museum's current focus has been corporate giving, but the best return on investment will be strengthening our individual donor base to promote long term sustainability.

The second key finding in the report focused on motivation for giving, and knowing the importance of understanding why individuals give. The top five reasons are as follows:

1. Personal values (value system aligns with our mission)
2. Interest in the issue area (interest in programming provided)
3. First or second hand experience (audience, members)
4. Recognizable nonprofit (trustworthy community resource)
5. Perceived need (how the organization meets the community's identified need)

Steve Anderson discussed board focused fundraising tactics, and increasing the number of Icon Society members -which is a donor level of \$1,000 or more; from 79 members to 100 members by June 2020 – also stating there is currently 99% board participation in the program.

Steve stated that board members must continue to encourage motivation for giving by identifying potential donors, hosting events, and inviting donor prospects to the museum.

## **Governance**

Greg Pemberton started the discussion with a review of the museum's governance, and how the board is currently structured. He also introduced two action steps that need to be reviewed by the board for

further discussion. The first action step is re-electing officers; which will take place at the June 4, 2020 board meeting, and voting on a new board member, whose term would begin effective FY21. He also discussed the need for board presence in Southern Indiana, and the need to focus on recruitment in that region of the state.

Greg presented two officer recommendations from the governance committee for re-election as of July 1, 2020 which include Andrew Dahlem – Vice Chair; and Andrew Briggs – Treasurer.

Greg also noted there will be three board members completing their term limits at the end of FY20 which are Greg Pemberton, Gregg Summerville and Mac Parker (Retired).

Greg introduced Fred Cate as a viable board prospect for election starting FY21. Fred was recently appointed as the President of Museums for Indiana University and has previously partnered with Angel Mounds and T.C. Steele.

Motion was made and seconded, all present voted in favor of electing Fred Cate to the Indiana State Museum and Historic Sites Board of Directors effective FY21.

## **NAGPRA**

Michele Greenan discussed NAGPRA, the Native American Graves Protection and Repatriation Act, which is a federal law enacted by George W. Bush in November of 1990, to protect human remains and funerary objects from agencies and museums.

All federal agencies and museum that receives federal funds are subject to NAGPRA.

Michele noted that there are three ways that the museum can obtain human remains. The first would be through donation, the second is excavation, and the third is through inadvertent discovery. We currently have 62 sets of remains in our collection, with the majority coming from donation.

Michele stated that the museum is fully compliant with NAGPRA, and that all items in our collection have been registered and listed in inventory.

Michele also noted that the museum will be partnering with IU to assist with a major repatriation excavation at Angel Mounds, and adds that there have been an estimated 460 sets of individual remains excavated from Angel Mounds to date.

## **President's Report**

### Angel Mounds

Cathy noted that we have received funds for Angel Mounds and Bill Browne will be visiting the site in the near future to examine the building and move forward with the project.

### Master Planning / Market Study

Cathy discussed a recent visit to Lilly Endowment Inc., and was pleased to announce the Endowment has extended an offer for the museum to request funds in support of master planning and market study efforts. Ferree stated the museum will be taking a different approach to master planning and will bring in consultants to help us understand how our organization relates to the community we sit in, what responsibility we have to the community we're in, and what resources does our organization hold that we should be sharing with others the community.

Cathy also stated that we are currently in a very tight market, and it is becoming more difficult to determine how those in our community are spending their leisure time. So we would conduct a market study to help us better understand this market. She stated that it is then the responsibility of the staff and the board to merge the museum's two plans together and strongly consider where we should be working in the community and what does the market look like for us to do so.

Cathy and Nora will submit a request to Lilly Endowment Inc. in the amount of \$250,000 by the end of April 2020 to support ISHMS master planning and market study efforts, and will be soliciting board members in the near future to reach out to Lilly Endowment Inc. in support of the ask.

Cathy additionally noted that those funds awarded from the Endowment will also contribute toward our 2:1 \$1M match with the State.

### FIX: Heartbreak and Hope Inside Our Opioid Crisis video

Cathy Ferree and Amy Ahlersmeyer introduced and presented a short video highlighting the museum's FIX: Heartbreak and Hope Inside Our Opioid Crisis exhibit with those present at the meeting. Amy discussed how the video is being utilized in the community, and the importance of sharing the video with potential partners and donors.

Cathy concluded the president's report with an update regarding assistance and instructions provided by the Indiana State Health Department in response to COVID-19, and how the museum plans to respond in the event we are closed to the public. She also gave a brief update on the CFO position, and stated that there has been some interest, but currently there is not a candidate ready to be interviewed.

*The Indiana State Museum and Historic Sites Board of Directors concluded the public portion of the board meeting and entered into executive session at 2:27 p.m. The next regular meeting of the Board of Directors is scheduled for June 3, 2020.*