

## **Indiana State Museum and Historic Sites**

Regular meeting of the Board of Directors via Zoom

June 2, 2021

*Board members present:* William Browne Jr., board chair; Andrew Dahlem, vice chair; Andrew Briggs, treasurer; Liz Witte, secretary; Steve Anderson; Gary Anderson; Melissa Caito; Thao Nguyen; Kathy Roudebush; Alice Schloss; Roland Shelton; Judy Singleton; Mary Walker; John Wechsler; and Robin Winston.

*Board members absent:* Fred Cate, Linda Conti, Nancy Jordan and Roland Shelton.

*Staff present:* Cathy Ferree, president and CEO; Susannah Koerber, chief curator and research officer; Amy Ahlersmeyer, chief marketing officer; Brian Mancuso, chief officer of engagement; Nora Woodman, chief development officer; David Daum, vice president of finance and IT; Renee Bruck, manager of communication; Meghan Smith, conservation lab manager; and Meredith McGovern, arts and culture collections manager.

*State-appointed representative:* Indiana District 82 Rep. David Abbott

*Partners:* Dan Bortner, director of the Indiana Department of Natural Resources; Carolene Mays-Medley, executive director of the White River State Park Development Commission; and Keesha Dixon, executive director of Asante Art Institute of Indianapolis.

*Guests:* Rachel Massey, legislative assistant; Julie Koo, vice president of TDC; Rachel Crocker Ford, vice president of TDC; Meklit Zenabu, associate consultant of TDC; Link Ludington

*The regular meeting of the Board of Directors was called to order at 12:01 p.m.*

### **Consent agenda**

The consent agenda included the March 3, 2021 board minutes. The consent agenda was unanimously approved.

### **Investment Committee Report**

Gary Anderson said the foundation's account at the end of the quarter has reached a new level of \$5.12 million. He noted the committee was perfectly happy with the foundation's risk exposure right now, even though more investments have been available at this new level of more than \$5 million. Although these new investment opportunities are made available, the committee is not really looking to change strategies right now. Gary noted investments have outperformed on most policy and broad market benchmarks.

Gary noted following unprecedented support during COVID-19, central banks will likely soon look to scale back their quantitative easing programs. Projections show a dramatic drop from \$8 trillion to \$2

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trillion in next two years. He said the smartest things to do is nothing at this time and that the investments are in a good position for the storm clouds on the horizon.

David Daum said he and Nancy Jordan had been doing research on endowment gifts given over time. They found that the Elizabeth Ott donation of \$705,000 to the museum system in 2015 was never documented in the board minutes as being board designated funds. He requested a motion from the board to formally designate these funds as board designated for the endowment fund.

The motion to approve was made by Melissa Caito and Andrew Briggs seconded the motion. The motion was unanimously approved.

#### *Asante Arts Institute of Indianapolis partnership*

Keesha Dixon was introduced to the board. She said the Asante Arts Institute of Indianapolis is delighted to enter a partnership with ISMHS at this level. She said the institute is serious about pursuing a mutual partnership by bringing a new audience to the Indiana State Museum while using the facility and being in the building.

#### *White River State Park – TCU Amphitheater*

Carolene Mays-Medley provided an update to the TCU Amphitheater at White River State Park. The Amphitheater endeavor began three years ago, and the new facility with restrooms and 3,000 permanent seats plus artist amenities is set to open to the public this summer. The new amphitheater facility replaces a temporary venue and stage that was installed each summer for concerts at White River State Park.

#### **Finance and Budget Update**

David presented the revenue and expenses statement through April 30, 2021. Total operating revenues were \$7.816 million. Revenues were projected to be \$9.722 million for the year. He noted state appropriation are \$433,291 in the positive due to the full-year forecast being higher than the actual appropriations this year. However, admissions have been down this year due to ongoing COVID-19 issues, and the lack of school group attendance was included in this difference. The museum system did see a 65% return in April over 2019 numbers. Site visitation in April exceeded 2019 admissions by 100+ visitors. Programming revenues decreased because of canceled or dramatically reduced programming due to COVID-19. David noted camps were canceled last year, but summer camps in 2021 were around 84% capacity with those numbers still expected to increase slightly. Facility rental and food commission revenues were below the forecasted budget. Although most events at the Indiana State Museum were canceled last year, several events were planned between the meeting and the end of the fiscal year and 44 events are already on the books for the next fiscal year.

David said gifts, grants and sponsorships were positive thanks to the Indy Arts and Culture Restart & Resilience Fund as well as funding from Indiana's Family and Social Services Administration for "FIX: Heartbreak and Hope Inside Our Opioid Crisis."

Membership revenues are down for the year, but the museum system is seeing a 65% renewal rate compared to FY19 figures. David noted some of the membership numbers may be off due to the three-month extension offered due to the museum closure.

Expenses are better than expected with total expenses at \$7.726 million at the end of April. David noted there have been some savings in payroll and benefits, as well as contracted services and supplies. He also noted savings in reduced materials and labor in education.

Nora Woodman provided a few more details about the significant difference between development revenues budgeted and received. The upcoming Major Taylor experience was moved to the next fiscal year, which reduced the overall developmental budget by \$200,000. Still, the development team was \$369,523 ahead of where the museum system was in FY20 and 23% higher than what was budgeted through April thanks to increased donations, grants and other funding.

She broke down development funding into three different groups: individual giving, corporate and foundations. There was an increase in individual donors, new donor gifts, plus some donors rejoining to give this fiscal year. Individual giving is robust. In corporate giving, the museum system has seen an increased dollar amount this fiscal year in addition to two new sponsors. There was a slight dip in the beginning of the COVID-19 situation, but corporate donors have been pleased with the pivots the museum system made during the pandemic. From foundations, the museum system saw an increase in grant renewals and the team is continuing to grow relationships with community foundations, which are providing grant funding for some of the state historic sites.

Nora also noted \$43,000 in gifts will be added in May, and the development team is confident in the giving forecast. Mail appeals will continue throughout this fiscal year.

A motion to approve the April financials was made by Gary Anderson. Mary Walker seconded the motion. The motion was unanimously approved.

#### *Proposed FY2022 budget*

David presented the proposed FY22 operating budget. He noted total budgeted operating revenues are \$11.5M and total operating expenses are \$11.5M for a net zero budget.

All revenues for FY22 are projected to be higher than FY21 but lower than FY20 actuals. Visitors are expected to return, according to data forecasts, but probably not in the first six months of FY22. A new Celebration Crossing experience should help attract visitors and the Indiana State Museum should see increased attendance due to the new offerings.

Restrictions caused facility rentals to be down in FY21, but rentals are expected to return as pandemic restrictions are lifted. Memberships are expected to see gains with the expiration of the 90-day extension too. IMAX was set to reopen June 24 to the public.

David noted payroll and benefits will increase for FY22, but that increase includes a shift so that all employees will be paid through the operating budget. The museum system also will be filling a handful of positions that were previously frozen during the pandemic.

Andrew Briggs made a motion to approve the FY22 budget, and Melissa Caito seconded the motion. The motion was unanimously approved.

#### *FY22 and FY23 Allocation and CRR dollars*

David presented an overview of the state funding for the next biennium. State funding includes 1) general operating appropriations, 2) preventative maintenance and 3) capital repair and rehabilitation (CRR) projects.

General operating appropriations are used to cover pay and benefits for the ISMHS staff. The general appropriations increase is due to a shift in funds from preventative maintenance.

Preventative maintenance (PM) is for projects that don't really meet the CRR project guidelines but are still necessary for the upkeep of the museum system. The PM funds for the next biennium are approximately 50% less than the current funding, with the reduction in funds from PM moving up into the general appropriations funding.

ISMHS requested \$2.0 million in matching funds and \$2.6 million for capital projects over the next two years, both of which were approved. Those projects will include continuing the connection of security cameras at sites to the Indianapolis security office, rekeying locks throughout the buildings, installing solar lights in the parking lot at Limberlost State Historic Site, addressing moisture issues at sites, making concrete wall repairs at Angel Mounds, addressing abutment issues at the Whitewater Canal State Historic Site's Duck Creek Aqueduct, addressing issues with the brick sidewalks at Lanier Mansion State Historic Site, working on heating and air at sites, and various roof repairs.

#### *Dashboard*

The dashboard with information through April 30, 2021, was presented. Total museum attendance indicated a 34.59% return rate, with paid daily museum attendance at 52.54% compared to FY19. The total museum attendance included school tour attendance which was at 2.15%. Field trips have been canceled for the school year due to the pandemic, but teachers are already beginning to make very tentative reservations for spring 2022. Member visits were at 36.92% compared to FY19.

A dashboard highlighting the total revenues, expenses and shared services for all 11 state historic sites also was presented.

#### **Collection Pieces – Major Taylor Trophy and Lincoln Portable Bar**

Meghan Smith and Meredith McGovern presented two collection pieces that recently underwent conservation treatments at Chicago Conservation Center.

One of the pieces was the Major Taylor trophy in the collection. The piece – an incense burner that was the 1901 award for a Berlin race – features Asian influences, but it's unknown if it was made by an Asian manufacturer. The lid had been discolored over the years and the fu dog had lost its front paw. After treatment, conservation workers were able to reconstruct the fu dog's paw, remove old wax and

replace with a beeswax for a natural color. Meghan said she's pleased with how it turned out, and the piece will be displayed during the Major Taylor experience set to open next year.

Another piece that underwent conservation was a portable bar or cordial set from 1860s. The bar belonged to President Abraham Lincoln and Mary Todd Lincoln and was passed down to their son, Robert Todd Lincoln. The piece came to museum as part of Lincoln Financial Foundation Collection. Meredith noted large pieces of molding and pinstripes were missing from the cabinet. Brass inlay had darkened over time, and pieces were in danger of being lost. The black finish was cracking all over, and the lock plate was bent. The interior had issues too with the interior tray split in one corner. Conservators replaced the molding, cleaned and waxed the finish, smoothed the lock plate, and reshaped the tray. The conservators also noted the feet on the bar had been replaced at some point and installed brass feet, which were more accurate to the piece, during the treatment.

The cordial glasses and one of the decanters also were in poor condition. Several of the glasses were broken, while others had been broken and incorrectly repaired and set at a crooked angle. Meredith noted she was thrilled with the results, and the set can now be displayed in full as it would have been when the Lincolns lived at the White House.

### **Governance Committee**

Melissa Caito said the board terms for Alice Schloss and Steve Anderson were expiring this year, creating two vacancies on the board. Melissa presented two candidates for consideration, both of which have been formally vetted – Jordan Gathers, deputy chief of staff of South Bend, and Angila Retherford, vice president of environmental and corporate responsibility for CenterPoint Energy.

Melissa made the motion to approve, which was seconded by Liz Witte. The motion was unanimously approved.

The board recognized Alice Schloss for her service to the board since 2004. Melissa noted Alice was on the board when the Lincoln Financial Foundation Collection came to the museum, and she was on the board when ISMHS became a quasi-governmental agency. She has been a major supporter through all the transitions.

The board also recognized Steve Anderson for his 23 years of service, including his service on the board during the transition to quasi-governmental agency. He also helped to open and fundraise for the new museum building, as well as assisted with the Ball Brothers Foundation relationship.

Melissa requested the board consider changes to the by-laws to require two-thirds of voting members for a quorum during board meetings. She also requested the addition of advisory board members, who would be non-voting, but would attend board meetings and share information just as if they were board members. This would allow for institutional knowledge to stay within the system even after board members term out. These positions would be voted on annually.

Melissa made the motion to approve, which was seconded by Judy Singleton. The motion was unanimously approved.

Advisory board members presented for consideration were: Alice Schloss, Steve Anderson and Greg Pemberton.

Melissa made a motion to approve, which was seconded by several board members. The motion to approve was unanimously approved.

### **Master Planning**

Cathy introduced representatives from TDC, who will oversee the museum system's master planning over the coming months.

Julie Koo is a vice president of TDC and will serve as the team lead, facilitating meetings and research. Julie shared TDC is a nonprofit organization that works with nonprofit cultural organizations on master planning. Rachel Crocker Ford is a vice president of TDC and works on strategic planning. Her focuses are on museums and education. Meklit Zenabu is an associate consultant of TDC and relatively new to the team. She's worked on museum projects, as well as consumer and market research in the private sector, after graduating from Notre Dame.

Through the master planning process, TDC will be taking a look at the vision for impact on the Marion County community and focusing on the museum's role within Marion County. During the process, consultants also will look at how the institution can provide unique offerings, as well as improve on diversity, equity and inclusion.

The master planning process will be five phases and take a deep dive into the current state of the organization, as well as talking to stakeholders, current visitors and non-visitors. This process is expected to take the next 10 months.

### **Engagement Videos**

Brian Mancuso presented two of the museum's new engagement videos that were created after the museum system received funding from the Arts Council of Indianapolis' Indy Arts and Culture Restart & Resilience Fund made possible by Lilly Endowment Inc. These videos were created to help with programming during the pandemic, but the videos are currently being sent out to community partners like IPS and other groups the museum already has working relationships with to help with summer learning loss. The videos are already having a longer life than expected, and they will be used for programming during the upcoming school year as part of the museum system's DISCOVER options.

The videos can be used during the upcoming school year as a pre-visit option to add to students' museum experience or as a virtual option for schools.

*Meeting adjourned, and board members entered into executive session at 2 p.m. The next board meeting will take place on Sept. 1, 2021, from noon to 2 p.m.*