

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

Regular meeting of the Board of Directors

Dec. 1, 2021

APPROVED

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

*Board members absent:* Linda Conti; Jordan Gathers; Nancy Jordan; and Kathy Roudebush.

*Advisory board members present:* Steve Anderson; and Greg Pemberton.

Advisory board members absent: Alice Schloss.

*Staff present:* Cathy Ferree, president and CEO; Amy Ahlersmeyer, chief marketing officer; Renee Bruck, manager of communication; David Daum, vice president of finance and IT; Adam DeKemper, vice president of experience; Susannah Koerber, chief curator and research officer; Brian Mancuso, chief officer of engagement; Jenna Robertson, director of special projects and administration; Mark Ruschman, senior curator of art and culture; Kisha Tandy, curator of social history; and Nora Woodman, chief development officer.

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

*Partners:* Dan Bortner, director of the Indiana Department of Natural Resources; Keesha Dixon, Asante Art Institute of Indianapolis.

*Guests:* Rebecca Holwerda, Indiana Department of Administration; and Aaron Wainscott, legislative assistant.

*The regular meeting of the Board of Directors was called to order at noon.*

### **Consent agenda**

The consent agenda, which included the Sept. 1, 2021 board minutes and deaccession report, was approved.

### **Investment Committee Report**

Gary Anderson gave an investment update to the board, noting that the net return on investments for the past year has been 25.3%. He said economists gave financial forecasts during the summer that were very enthusiastic with expectations of continued growth, but it didn't work out that way due to the emergence of the COVID-19 Delta variant. Economists have lowered estimates for third and fourth quarters, but they raised estimates in the first and second quarter of 2022.

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Gary also provided some insights to the current worker shortage in the United States. Millions of workers retired early due to the pandemic, he said, while others were earning more from unemployment insurance benefits than from their jobs. While unemployment insurance benefits are about over, temporary worker and immigrant visas have been declining due to COVID-19 and self-employment has increased leaving a smaller number of available workers.

Even during an unusual time in history, the Indiana State Museum and Historic Sites investments are doing well. According to the National Association of College and University Business Officers (NACUBO), the organization's investments continue to outperform other institutions with endowments under \$25 million, which had an average net return of 2.5%. The Indiana State Museum and Historic Sites had a one-year return of 33.8%, a five-year return of 12.9% and a 10-year return of 10.3%. Gary noted the organization has even outperformed even the large institutional investments with more than \$1 billion endowments, which should give us some comfort. Although stormy seas appear to be surrounding us again, now is the time to be steady at the tiller, he said.

### **Finance and Budget Update**

A motion to accept the FY21 audited financials was made by Andy Dahlem and seconded by Andrew Briggs. The motion was unanimously approved.

David Daum presented the Balance Sheet for Fiscal Year 2022 as of Oct. 31, 2021, which showed assets totaling \$16.488 million and total liabilities totaling \$4.511 million for the year. He presented the revenue and expenses statement, which included total YTD revenues of \$4.087 million and total expenses of \$3.397 million. David noted under the gifts, grants and sponsorship line that \$190,000 came from an Institute of Museum and Library Services grant for the upcoming "Major Taylor: Fastest Cyclist in the World" experience. He also said that all revenue streams are higher than prior year.

Cathy Ferree took a moment to address frontline staffing issues. The museum system had hoped to hire seasonal staff for Celebration Crossing and use full-time staff on an as-needed basis, but that wasn't successful. Each full-time staff member at the ISM has been asked to work three shifts on the floor so that the museum can cover the front-line staffing needs this holiday season. Cathy noted other local museums and organizations have increased wages to \$15/hour, and the Indiana State Museum and Historic Sites will be looking to see how to increase those wages in Fiscal Year 2023. To make this happen in FY22, \$70,000 would be needed to cover the wage increase so that we don't lose our current staff. This is not only a frontline staffing issue. We have fulltime director and higher roles that we can't fill even with doing country wide recruiting.

### **Collections**

Mark Ruschman presented works that are being considered to be included in an upcoming experience called Collecting Indiana: Recent Art Acquisitions.

### **President's Report**

Cathy presented the dashboard and noted the ISM is currently seeing a 60% visitor return rate, but state historic sites are seeing a visitor return rate of about 80%. Paid attendance has increased when

compared to 2020, while membership households are steady. It's the hope that memberships will continue to sell well during the holidays, which is usually the biggest time of the year for those sales. School tours also are starting to return, with about 26.5% returning so far, as compared to 2019.

She also presented the state historic sites dashboard, which indicated eight of the 11 locations have a net surplus before allocations. New Harmony, Vincennes and Corydon have deficits, but Corydon and Vincennes are two of the largest school visit locations. Corydon is currently sold out in April and May 2022 for school group visits, and the site's programming has grown substantially. Bill Browne said the state historic site dashboard is very helpful for site managers and Friends groups and to see this many locations in the black is really great. He recognized these numbers will fluctuate, but he said it was good to see where we are right now.

### *Master Planning Update*

Cathy provided a master planning update and said that the museum system plans to use the ISM's master planning as a template in the future. The leadership team anticipates working with community foundations to do a similar master planning process with the sites eventually. The information gained from the master planning process for the ISM will have implications for the sites as well.

As part of the master planning process, the museum system is continuing partnership engagement with The Learning Tree while the constituent survey closed Nov. 15 with about 1,300 respondents. Intercept surveys will be conducted in-house at the ISM from Dec. 3 through Jan. 20, 2022. TDC will be conducting interviews with civic leaders in Indianapolis from January through March 2022, and a partnership audit will be conducted by TDC from January through March. Cathy said there will be another update on the process by the March meeting with a completed product expected by June 2022.

### *College football championships*

Cathy thanked Melissa Caito for stepping in and helping to bring "Taste of the Championship" – a fundraising event during the 2022 College Football Playoff National Championship – to the ISM on Jan. 9, 2022. This will be a significant event during the championship where patrons will be able to sample gourmet food and drinks from dozens of chefs from Indianapolis. Cathy noted the museum system is appreciative that ISM will be included.

## **Development**

Nora Woodman provided an update for Development by providing an overview of Fiscal Year 2021, which ended in June. Nora reminded the board of a discussion during the March 2020 board meeting when she presented information about industry research for fundraising benchmarks. The development team took the charge of sustainability to heart over the last 20 months and focused on fundraising with the strategic plan.

Data from Giving USA and IUPUI Lilly Family School of Philanthropy in 2020 noted that fundraising growth potential was with individual donors. The national benchmark hovered around 77% for individual donors, with 9% coming from foundations, 9% from bequests, and 5% from corporate donations.

Nora noted that for the museum system's operating fund distribution in 2019, 37% of fundraising came from individual donors, 49% came from foundations and 14% came from corporate.

During Fall 2020, the Indiana State Museum and Historic Sites continued to see individuals step up to give and foundation giving continued to grow, while corporate giving remained steady although some did hit pause or decrease funding during the pandemic.

The museum system's operating fund distribution for Fiscal Year 2021 saw some change with 52% of fundraising coming from individual donors, 29% coming from foundations and 19% coming from corporate donors. The development team focused on retaining corporate sponsors instead of going after new ones during the pandemic. Nora noted the slight decline in foundation funding wasn't because of a lack of pursuing foundations. Instead, most funding from foundations went to special projects or were funds relating to the pandemic.

Nora said the Indiana State Museum and Historic Sites saw an increase of 6% in number of gifts overall in FY21, with a 5% increase in number of donors. The number of donors increasing their gift amounts increased by 14%, the number of regained lapsed donors increased by 20% over last year and total board giving increased by 45%.

In the new year, Nora asked board members to continue to participate in all the wonderful ways that they have this year and advocate to their networks, noting the board's involvement with the institution truly makes a difference.

### **Major Taylor: Fastest Cyclist in the World**

Kisha Tandy presented a history of Major Taylor's life and provided details about the world-champion cyclist's beginnings in Indianapolis. He later moved to Massachusetts to pursue a cycling career and returned to Indianapolis as a champion. Kisha told the board that Major Taylor could compete in distance races and sprints and that he officially retired in 1910, but not before having to "fight the monster prejudice." She noted the Indiana State Museum and Historic Sites collection contains two of Taylor's trophies, as well as nine scrapbooks, letters, photographs and other items that detail his international travels. Many items in the collection will be used in the upcoming experience.

Brian Mancuso told the board that the upcoming experience will be in South Gallery from early March to late October. These months are biking season, and this timeframe was chosen intentionally so that people could hop on a bike and go for a ride before or after visiting the experience. The experience was developed with our guideposts of collection, relevancy and interaction in mind, and the big idea for this experience is telling the remarkable story of champion cyclist and trailblazer Major Taylor, who inspires us to talk and think about who rides bicycles, test our athletic skills, tinker with bike design and mechanics or discover the joy of riding free and going where we like.

Brian outlined key experience areas, including the entry experience, shrine, bicycle shop, racetrack, locker room, and travel and legacy areas. The entry will feature poetry by Januarie York that gives an introduction into Major Taylor's life. The poem is structured with the pace of a race with a sprint at the end, and it's stunning to hear. An environment collage inspired by a velodrome and created by

Indianapolis artist Lobyn Hamilton also will be included in the entry experience. The shrine area will feature a bike that everyone will want to see. Although we don't have one of Major Taylor's bikes in our collection, we are borrowing one from the U.S. Bicycling Hall of Fame in California. The bicycle shop will feature historical context of Major Taylor's early career, and it also will be a place for visitors to learn how bikes work, as well as take a look at modern bikes and bike design. The racetrack area will allow visitors to design and ride a bicycle. Although this area is mainly for youth, the STEM-based activities are meant to draw families in to build and design together. Visitors will get the chance to play an analog game that focuses on the strategy of riding. The experience team wants to give visitors the chance to lose against Major Taylor. The races will be set against Major Taylor's times. In the locker room, visitors will learn about the physical and mental abuse Major Taylor faced as a Black cyclist during races. Major Taylor's story is deeply inspirational, Brian said. This space also will feature a space where visitors can hear from current riders in the cycling world. The travel and legacy area will show how we continue to remember and celebrate Major Taylor's life today.

Brian also provided some details about the upcoming Major Taylor Day on June 18. This festival will happen during the museum system's Juneteenth Celebration. Museum staff will be working with outside partners and the two events falling on the same day will just help to strengthen the festival experience. Major Taylor's story also will be highlighted during camps and other engagement audience areas.

Amy Ahlersmeyer outlined the total ad spend for the Major Taylor experience, which is currently 41.3% of the museum system's annual media budget. A little over \$100,000 will be spent on digital and mobile ads, broadcast radio, streaming audio, newspaper ads and digital outdoor advertising. The marketing team also will be utilizing public relations efforts, including press releases, targeted media pitches, blogs, a dedicated webpage, eblasts and social media, plus relationships through Visit Indy, Visit Indiana and Indiana Tourism Association to spread the word about this experience.

*Meeting adjourned, and board members entered into executive session at 1:57 p.m. The next board meeting will take place on March 9, 2022, from noon to 2 p.m.*