SOUTH DAKOTA
HISTORICAL SOCIETY FOUNDATION

BOARD OF DIRECTORS
Friday, February 13, 2015
Education Room, Cultural Heritage Center, Pierre

Board Members Present: John Teupel, Jacqualyn Fuller, Gary Heintz, Rick Jensen, Carey Miller, Connie Schroeder
Board Members Absent: Brian Gatzke, Jason Gant, Vicki McLain, Curt Mortenson
Ex-Officio Present: Jay D. Vogt
Staff Present: Michael Lewis, Dorinda Daniel, Dawn Stover
Others Present: Troy Jones, Richard Lauer, Jay Smith

The meeting was called to order at 9 a.m. Central Time by Chairman John Teupel.
Conflicts of interest: None

Approval of Minutes
Motion by Jensen, seconded by Miller, to approved the minutes of the Dec. 5, 2014, board meeting. All voted aye. Motion carried.

SERVICE PILLARS
  I. **People**
  a. Board Development/Nominating
   i. Election of Officers
       The slate of officers put forth by the nominating committee was:
       Chairman – Teupel; Vice Chairman – Jensen; Secretary – Miller;
       Treasurer – Gatzke. Hearing no nominations from the floor, Teupel asked
       for a motion to approve the slate of officers.
       **Motion by Schroeder, seconded by Fuller, to approve the slate of
       officers put forward by the nominating committee. All voted aye.
       Motion carried.**
   ii. New Board Members
        **Motion by Miller, seconded by Jensen, to approved Gary Heintz and
        Curt Mortenson as new members of the board of directors. All voted
        aye. Motion carried.**
        Troy Jones said he has not decided whether or not to become a board
        member.
        Potential board members were discussed.
   iii. Committee Assignments
         Teupel appointed Miller as chair of the personnel/policy committee;
         Jensen as chair of the finance committee; Schroeder as chair of the
         marketing/fundraising committee; and the executive committee to be the
         nominating committee.
         Teupel recommended that the board development/nominating committee
         be split into two committees and that the executive committee be in charge
         of board development.

    b. Board Schedule

The board schedule for 2015 was discussed. The next board meeting is scheduled for Friday, May 29, in Pierre. This is the weekend of the South Dakota State Historical Society History Conference. The foundation and SDSHS will jointly sponsor a social at the Cultural Heritage Center the evening of May 29.

The board discussed having fundraising socials in Brookings in April, in Sioux Falls in July and in Deadwood.

II. <u>Growth</u>

    a. Marketing Committee

        i. Monthly Historical News Releases

Lewis said that the history articles are being sent across the state. If board members have suggestions for articles, they should contact him or Daniel.

        ii. History and Heritage Book Club

Lewis told about several upcoming book club speakers, such as a World War II veteran and a Badger Clark re-enactor.

    b. Fundraising Committee

    c. Projects

        i. Pioneer Girl

            a. Book Release Update

Lewis said that the first printing of Laura Ingalls Wilder's *Pioneer Girl: The Annotated Autobiography* of 15,000 sold out in November, the second printing of 15,000 in January sold out in days, and a third printing of 45,000 is due March 9. This shipment is already sold out. A fourth printing of at least 45,000 is being planned for the end of March/beginning of April, and there is a potential for a fifth printing of 20,000 in May or June.

            b. Financing Plan

Board members reviewed a cash flow plan regarding *Pioneer Girl*. Lewis said there were no problems in paying for the first two printings, but there are potential cash flow problems in paying for the third and fourth printings. Cash flow problems result because the foundation has 30 days to pay bills, but distributors have 120 days to pay or return books. The options are to cash out other investments, to consider a loan through Charles Schwab, or a have a line of credit from a financial institution. His recommendation is to receive a short term line of credit from a bank. He said he discussed obtaining a short term line of credit with Charles Burke III, the chairman/president/CEO of BankWest in Pierre, and BankWest is willing to extend a short term line of credit.

After discussion, the board authorized the foundation president and/or chairperson to enter into discussion with a financial institution for a line of credit for up to $300,000 for 180 days.

Motion by Jensen, seconded by Heintz,, to accept the *Pioneer Girl* Project Resolution/Motion as amended by Miller. All voted aye. Motion carried.

        ii. Digitization

Lewis said that a Deadwood grant should soon be received. A grant request has been submitted to Midcontinent Communications and a grant from Montana-Dakota utilities has been applied for.

iii. Badger Clark Memorial Society Merger

Lewis said that the merger was completed last summer and the paperwork has been filed with the state. A handout showing expenses and revenue, and inventory was reviewed. A copyright issue with "Skylines and Woodsmoke" needs to be resolved.

III. SDSHS Presentations

a. SDSHS Director's Report

Jay D. Vogt reported on activities in the five SDSHS divisions: archaeology, archives, historic preservation, museum and press.

b. Tourism to Education Reorganization

Gov. Dennis Daugaard is transferring the South Dakota State Historical Society from the Department of Tourism to the Department of Education. Vogt talked about some of the consequences of the reorganization. One of the consequences is a budget cut. Lewis was directed to put together information that board members could use in talking to legislators about the budget implications of the transfer to the Department of Education.

c. Other Historical Society Presentations

Vogt discussed projects in which the foundation will be involved, such as photo digitization and a celebration for the Sioux Horse Effigy's return to the museum, as well as long-term projects.

IV. Financials

a. Treasurer's Report

i. Fourth Quarter reports

Lewis and Stover reviewed fourth quarter foundation and Heritage Store financial reports.

Motion by Heintz, seconded by Schroeder, to accept the 2014 financial reports. All voted aye. Motion carried.

ii. 2015 Budget

The proposed 2015 budget was reviewed. The budget amounts are based on 2014 actuals with some minor adjustments. The fiscal agent fee line was adjusted based on anticipated Society fund raising needs to show income of $18,000; resulting in a full year budget amount of $12,000 net income. It was discussed the need for all board involvement in reaching goals in special events for sponsorships and donor introductions to make this budget happen.

iii. Heritage Circle Payment to the State Historical Society

Lewis said that the amount the foundation pays the SDSHS for each Heritage Circle membership is caught up.

b. Finance Committee Report

i. Foundation Investments

Richard Lauer of Lauer, Fromelt Capital Management LTD reviewed the foundation's investments with the board.

c. 2015 Heritage Membership Changes

  i. Timing and Change Proposal/Smithsonian Affiliate Memberships

  Lewis said that the membership fees for the South Dakota State Historical Society have not changed for many years. The State Historical Society has decided to change its fees, probably at the end of May. Under this proposal, the amount the foundation would pay the State Historical Society for each Heritage Circle membership would increase by $5.

  Jay Smith met with the board to explain the benefits of the Smithsonian affiliation membership. The affiliate cost is $12 per members. Members receive the *Smithsonian* magazine, reciprocal membership to other Smithsonian affiliate museums and other benefits.

  Motion by Schroeder, seconded by Heintz, to approve increasing the Heritage Circle bronze level from $100 to $125 and the silver level from $250 to $300, and implementing Smithsonian membership at all Heritage Circle levels. All voted aye. Motion carried.

V. Executive Session

The board went into executive session at 1:25 p.m. The board came out of executive session at 1:30.

VI. Adjournment

The meeting adjourned at 1:30 p.m.