

MINUTES OF THE JANUARY 13, 2011, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on January 13, 2011, beginning at 11:30 a.m. at the Supreme Court in Washington, D.C., to discuss the agenda for the January 31, 2011, meeting of the Board of Regents. In attendance were Chancellor of the Board of Regents John G. Roberts Jr., Chief Justice of the United States; Board Chair Patricia Q. Stonesifer, Vice Chair Alan G. Spoon, and Committee member Robert P. Kogod. Also present by invitation of the Committee were Secretary G. Wayne Clough, Counselor to the Chief Justice Jeffrey P. Minear, Chief of Staff to the Secretary Patricia Bartlett, Chief of Staff to the Regents John K. Lapiana, and General Counsel Judith Leonard.

Ms. Stonesifer called the meeting to order and noted that because the Committee was meeting earlier than is typical in the agenda development cycle, some of the materials in the draft meeting book were less developed than those considered at similar meetings. A number of committees (including Governance and Nominating, Finance, Investment, and Advancement) will meet after this Executive Committee meeting to consider materials for the January 31 Board meeting.

Before turning the proposed agenda, Ms. Stonesifer thanked the Chancellor on behalf of the Board for offering to host the Regents’ dinner at the Supreme Court on January 30, 2011. At the Chancellor’s suggestion, invitations to the dinner will also be extended to former Regents who have stepped off the Board in the last year.

Ms. Stonesifer noted that the agenda contains four major topics: exhibition planning review, the Smithsonian’s branding initiative, the approval of the core components of the national campaign, and the nomination of a new Citizen Regent. To accommodate deliberations on those subjects, Ms. Stonesifer explained that, with the exception of the Advancement, Governance and Nominating, and Finance committee chairs, all other committee chairs will be asked rest their reports on the written materials provided in the meeting books and limit their discussions to addressing any questions that might arise.

Report of the Chair and the Executive Committee

Ms. Stonesifer noted that the meeting will begin with a brief report from the Board and Executive Committee Chair. Since the last full Board meeting, the Executive Committee, acting on the Board’s behalf, authorized the Secretary to exercise an option to purchase an additional equity interest in the Smithsonian Networks’ joint venture with CBS, Inc. Other notable actions by the Executive Committee included approval of four time-sensitive gifts and a lease for office space in New York City for *Smithsonian* magazine.

Ms. Stonesifer previewed for the Committee the results of the fiscal year 2010 Board self-assessment. The results, she noted, were generally good and consistent with the previous year’s survey. Two areas of concern, however, were the decrease in participation by Regents

(from 15 to 12) and a perceived lack of a full understanding of the Regents regarding the Smithsonian's fund-raising policies. Both Ms. Stonesifer and Mr. Spoon expressed confidence that the presentation on the national campaign at the January 31 meeting should help to educate the Board on the Smithsonian's fund-raising policies, processes, and practices.

Exhibition Planning: History, Policies, and Practices

Ms. Stonesifer reminded the Committee that the Board had been briefed via a teleconference meeting on the state of affairs regarding the National Portrait Gallery's (NPG) *Hide/Seek* exhibition on December 21, 2010. During the call, the Board supported two steps suggested by the Secretary: (1) launch an informal internal review and report to the Secretary on the planning for *Hide/Seek* against existing policies, practices, and procedures; and (2) establish an exhibition planning review panel made up of "wise people." The panel would be charged with conducting a forward-looking review of existing policies and practices as they relate to potentially sensitive and controversial themes and content, identifying issues that need to be addressed, and providing guidance based on what it learns during the review.

Ms. Stonesifer explained to the Committee that the latter panel would be led by Regent John McCarter and that the two non-Smithsonian members would be National Gallery of Art Director Rusty Powell (as an arts leader) and political analyst and advisor David Gergen (as a policy/political thought leader). Mr. McCarter will present the observations and recommendations of the panel at the January 31 Regents' meeting. Mr. McCarter's presentation will be followed by an executive session on the panel's findings.

Report of the Secretary

Secretary Clough briefly outlined the topics he expects to present at the Board's meeting, including, among other topics, the financial outlook for fiscal years 2011 and 2012, the search for a new Chief Financial Officer, the Arts and Industries Building, major gifts, and the Smithsonian redesign effort.

Branding Initiative

After the Secretary's report, the Board is expected to consider the second major agenda topic—the Smithsonian branding initiative. Ms. Stonesifer reminded the Committee that the initiative was launched in October 2010 and that the Smithsonian had contracted with the London-based consulting firm of Wolff Olins for expert assistance. Wolff Olins has spent the last three months collecting and analyzing data and will present to the Regents two brand position strategies for consideration. Secretary Clough noted that the presentation is "perfectly timed" in the branding process. The Committee discussed the importance of brand as a consistent Smithsonian "promise" to visitors and other stakeholders and that, moving forward, the initiative will position the Smithsonian "as more than a museum." The final brand strategy will be presented to the Board in April 2011 for final approval.

Finance Committee Report

The Finance Committee report will focus primarily on the outlook for the Federal budget in fiscal years 2011 and 2012. Under Secretary for Finance and Administration Alison McNally and Acting Chief Financial Officer Bruce Dauer will present the quarterly report of the Smithsonian's key financial indicators.

Reports of the Investment, Audit and Review, and Facilities Committees

Ms. Stonesifer noted that these committee reports will rest on the written materials contained in the Regents' meeting book with an opportunity for Regents' questions. She also underscored that the Smithsonian Endowment, as of November 30, 2010, was \$1.02 billion.

Report of the Governance and Nominating Committee

Every January, Ms. Stonesifer explained, the Governance and Nominating Committee recommends appointments to the Board's nine committees. She highlighted for the Committee the proposed changes that the Governance and Nominating Committee will consider at its January 25, 2011, meeting. In addition, she noted that the Board is awaiting the appointment or reappointment of five congressional Regents and is expecting at least one new House Regent to reflect the new majority in that chamber.

The Board will also be asked to establish advisory boards for the Smithsonian Tropical Research Institute and the Smithsonian Astrophysical Observatory and to make appointment to 12 advisory boards.

Report of the Advancement Committee

Ms. Stonesifer and Mr. Spoon commended the development office staff for the impressive number of gifts made to the Institution over the past two months. At the Board meeting, Mr. Spoon will present the committee's recommendation to accept 13 major gifts, including Whitney and Elizabeth MacMillen's gift to the Smithsonian American Art Museum to construct an education center and Bloomberg LLP's gift to the Hirshhorn Museum and Sculpture Garden for the construction of a seasonal inflatable pavilion. Secretary Clough added that the October to December 2010 period was Smithsonian best first fund-raising quarter ever.

The National Campaign

The third of the four major agenda topics, Ms. Stonesifer explained, is the Secretary's request to approve certain core components for the Smithsonian national campaign. The Advancement Committee, during its meeting on January 25, 2011, is expected to review the plans and determine its recommendation to the full Board. With that in mind, Ms. Stonesifer asked Mr. Spoon to preview the plans during the Committee's informal lunch following the meeting.

Executive Session topics

Ms. Stonesifer noted that the Report of the Compensation and Human Resources Committee

will be made in executive session. The committee's report will be devoted to executive compensation and a report by the Chair of the Board on the Secretary's performance. The Committee briefly discussed application of the Federal salary freeze on senior compensation decisions.

Contingent on a recommendation from the Governance and Nominating Committee, the Regents will also consider a candidate for nomination as a Citizen Regent to fill the vacancy created by the resignation of Dr. Phillip Frost from the Board. As is standard procedure for the Board meetings, the Acting Chief Financial Officer, the Inspector General, the General Counsel, and the Secretary will be invited to raise any issues they determine to be appropriate during the Board's executive session.

The meeting was adjourned at 12:05 p.m. with Committee members joining the Chancellor for an informal working lunch.

Respectfully submitted,

Patricia Q. Stonesifer
Chair