

## MINUTES OF THE AUGUST 23, 2011, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on August 23, 2011, beginning at 10:00 a.m. by teleconference. Participating were Board Chair Patricia Q. Stonesifer, Vice Chair Alan G. Spoon, and Robert P. Kogod. Also present by invitation of the Committee were Regent France A. Córdova, Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, Under Secretary for Finance and Administration Alison McNally, and Under Secretary for Science Eva Pell.

### Overview

Ms. Stonesifer called the meeting to order and noted that the Secretary and his leadership team would be presenting a wide-ranging financial review at the August 30, 2011, Finance Committee meeting. She noted that the briefing was originally scheduled for August 23, but was postponed due to an earthquake.

Ms. Stonesifer added that a small set of actions had required Executive Committee attention, particularly including the possible participation of the Smithsonian in an ultimately terminated geo-spatial satellite project.

### Approval of the Minutes

The draft minutes of the June 15 and July 13, 2011, Committee meetings were approved by the Committee, pending correction of a typographical error.

### Approval of Apollo Drive Lease

Ms. Stonesifer noted that the Facilities Committee reviewed the proposed lease for 70,000 square feet of collections storage space for the National Portrait Gallery and the Smithsonian American Art Museum at 9601 Apollo Drive, Largo, Maryland. She added that the review of the Facilities Committee and the suggestions from its chair, Mr. Kogod, greatly improved the terms of the proposed lease. Mr. Kogod stated that the Facilities Committee was satisfied with the lease terms and recommended that the Executive Committee, at the request of the Secretary and on behalf of the Board, authorize the Secretary to enter into the lease. Committee action in August 2011 would save the Smithsonian approximately \$25,000 in rent under the current operating agreement that the lease would replace.

Accordingly, the Committee approved the following motion on behalf of the Board:

**VOTED** that the Executive Committee, on behalf of the Board of Regents pursuant to Board Bylaw 3.01, authorizes the Secretary to lease approximately 70,000 square feet of collections space at 9601 Apollo Drive, Largo, Maryland 20774.

## **Report of the Secretary: Budget Outlook**

The Secretary provided an update of the fiscal year 2013 Federal budget. He noted that the Office of Management and Budget (OMB) provided broad across-the-Government guidance that agencies submit two budget requests — one that anticipates a five percent reduction and another a 10 percent reduction.

The Smithsonian, the Secretary added, has instead been asked to submit a “requirements” budget request and a five percent reduction budget request. Uncertainty exists, however, how that guidance would impact funding for the National Museum of African American History and Culture. The Secretary noted that the Smithsonian expects to begin fiscal year 2012 operations under a Continuing Resolution at fiscal year 2011 budget levels.

## **Report of the Secretary: Earthquake Update**

The Secretary then briefed the Committee on damage from the August 23 earthquake. He noted that the assessment process was ongoing, but that there was visible damage to the Castle and to facilities at the Museum Support Center (MSC) in Suitland, Maryland. Some “cosmetic damage” was also reported at the Reynolds Center.

The Secretary said that both the Castle and MSC were closed to staff. At MSC, there appeared to be no damage to any artifacts, but “major structural damage” to the facilities was possible. Most damage at the Castle was in its east side, particularly with turrets and chimneys. With an anticipated hurricane over the upcoming weekend, the Secretary said that precautions were being taken to secure the Castle.

The “big thing,” the Secretary stated, was that despite the earthquake, the “museums were open and the public was being served.”

The Committee requested a report on the damages and anticipated remediation costs related to the earthquake by August 31, 2011.

Ms. Stonesifer noted that she, Mr. Spoon, and Regent Steve Case were meeting with the Secretary when the earthquake occurred and were also evacuated out of the Castle with staff. She complimented the response effort and said that she was able to “see first-hand” the emergency response. The Committee requested that Under Secretary McNally assess the emergency response and provide the Committee a report on the response by September 23, 2011.

## **Other Strategic Updates**

At Ms. Stonesifer’s invitation, Dr. Pell briefed the Committee on the ultimately unsuccessful negotiations to participate (along with other Federal agencies) in the operations of a geo-spatial satellite project. In the end, Dr. Pell explained, insufficient resources were identified to ensure

annual operations of the project. Other entities, including private firms and foreign government entities, were also competing to purchase and operate the project.

Dr. Córdova noted that the Smithsonian's potential participation in the project raised key issues regarding the role of public/government entities in areas where private commercial capacity may already exist. The Committee asked Dr. Córdova to consider placing the issue as a discussion item for the Strategic Planning and Programs Committee.

After a brief executive session, the meeting was adjourned at 10:50 a.m.

Respectfully submitted,

Patty Stonesifer  
Chair