

## MINUTES OF THE SEPTEMBER 5, 2018, EXECUTIVE COMMITTEE TELECONFERENCE MEETING

The Executive Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) conducted a teleconference meeting on September 5, 2018. Participating were Board and Executive Committee Chair David Rubenstein and Vice Chair Steve Case.

Also present by invitation of the Committee were Secretary David Skorton, Chief of Staff to the Secretary Greg Bettwy, Deputy Chief of Staff to the Regents Kate Forester, Special Assistant to the Regents Mallory Gianola (recorder), and General Counsel Judith Leonard.

### CALL TO ORDER

David Rubenstein called the meeting to order at 10:01 a.m. and welcomed members and staff participating by telephone.

### MINUTES OF THE EXECUTIVE COMMITTEE

Upon motion duly made and seconded, the Committee approved the draft minutes of the August 9, 2018, Committee meeting without modification.

### APPROVAL OF FISCAL YEAR 2019 FEDERAL AND TRUST CONSOLIDATED BUDGET

Under Secretary for Finance and Administration/Chief Operating Officer Al Horvath presented the fiscal year 2019 federal and trust consolidated budget for the Committee’s consideration. The Committee reviewed the projected financial needs of the Institution and the potential challenges for the Smithsonian. Mr. Horvath noted that the fiscal year 2018 enacted appropriation included a substantial increase for the revitalization of the National Air and Space Museum (“NASM”), which occurred after the fiscal year 2019 budget request was submitted to Congress. The Smithsonian’s fiscal year 2019 federal appropriation request is \$957.4 million.

Upon motion duly made and seconded, the following motion was approved:

**VOTED** that the Executive Committee, on behalf of the Board of Regents pursuant to Board Bylaw 3.01, approves the budget of appropriated funds for fiscal year 2019 when signed into law by the President, the institutional budget for Trust funds for fiscal year 2019 reflected in the report, and authorizes expenditures by the Secretary in accordance therewith. Any materials changes in program plans incorporated into the budget shall be made only with the approval of the Board of Regents or its Executive Committee.

## APPROVAL OF FISCAL YEAR 2020 FEDERAL BUDGET REQUEST TO OMB

Mr. Horvath briefed the Committee on the fiscal year 2020 federal budget request to the Office of Management and Budget (“OMB”). The Smithsonian is requesting a total of \$1,079.1 million for its fiscal year 2020 federal budget, which is \$36 million above the fiscal year 2018 appropriation and is inclusive of \$300 million in facilities capital to address the revitalization of NASM and critical projects at the National Zoological Park, National Museum of American History, National Museum of Natural History, Suitland Collections Center, Udvar-Hazy Center, Hirshhorn Museum and Sculpture Garden, and the Smithsonian Institution Building (“Castle”). The Committee was asked to approve the fiscal year 2020 federal budget request to OMB on behalf of the full Board because it is due on September 10, 2018, before the full Board is scheduled to meet in October.

Upon motion duly made and seconded, the following motion was approved:

**VOTED** that the Executive Committee, on behalf of the Board of Regents pursuant to Board Bylaw 3.01, approves the Smithsonian Institution’s budget request for appropriated funds for fiscal year 2020 for presentation to the Office of Management and Budget. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee.

## APPROVAL OF EARLY REDEMPTION OF TAXABLE BONDS

Mr. Horvath also briefed the Committee on the early redemption of taxable bonds. The Office of the Under Secretary for Finance and Administration (“OUSFA”) recommended that the Smithsonian retire its Series 2013A taxable bond issuance in advance of its scheduled maturity in November 2023. The debt is a general obligation of the Smithsonian Institution, which provided bridge financing in support of the construction of the National Museum of African American History and Culture. In addition OUSFA requested approval to establish a liquidity facility that would support both working capital and endowment needs in the future. The Committee discussed two options to provide liquidity: a line of credit or a commercial paper program.

Upon motion duly made and seconded, the following motion was approved:

**VOTED** that the Executive Committee, on behalf of the Board of Regents pursuant to Board Bylaw 3.01, approves the early redemption of the Series 2013A taxable bonds. The Executive Committee further recommends, on behalf of the Board of Regents, the establishment of a liquidity facility (either bank line of credit or commercial paper

program) of up to an aggregate amount of \$100 million (approval of specific details would be delegated to the Finance Committee).

## **OCTOBER BOARD MEETING**

Deputy Chief of Staff to the Regents Kate Forester reviewed the October agenda and highlighted the major discussions, which will include an update on the post-Campaign advancement structure, the Smithsonian American Women's History Initiative, the strategic plan implementation status, and the Smithsonian's involvement in the World Economic Forum.

## **EXECUTIVE SESSION**

At the request of the Secretary, the Committee entered into an executive session at approximately 10:31 a.m. to discuss administrative matters.

## **ADJOURNMENT**

With no other business to discuss, the meeting adjourned at approximately 10:55 a.m.

Respectfully submitted,

David M. Rubenstein, Chair

## **EMAIL BALLOT**

By email ballot completed on September 10, 2018, the Executive Committee voted to approve one gift on behalf of the Board of Regents. The following gift action required approval by the Executive Committee, prior to the Board meeting in October, in order to accommodate the installation of naming recognition and facilitate the timing of announcements related to the opening of exhibitions and programs at the National Museum of American History.

**VOTED** that the Executive Committee, on behalf of the Board of Regents pursuant to Board Bylaw 3.01, approves a gift to the National Museum of American History. At the request of the donor, details will remain confidential until publicly announced.