

Vermont Historical Society

Department Vision Statement:

- *Through its rich collections, dynamic programming, effective outreach and resolute leadership, the Vermont Historical Society preserves the past, informs the present and promotes Vermont's shared legacy for future generations. We believe that an understanding of the past changes lives and builds better communities.*
- VHS was chartered by the legislature in 1838 and is the oldest cultural heritage organization in the state (22 V.S.A., sections 281-285).

A Unique Collaboration: VHS and the State of Vermont:

The VHS has a unique relationship with the State of Vermont that creates economic development opportunities, saves the State money with support from private contributions, and enhances services to Vermonters:

- In the event of the dissolution of the VHS, management of its collections and related property will become the responsibility of the State (22 V.S.A., section 284). The Public trusts the VHS in keeping their heritage and collections safe.
- Employees of the Vermont Historical Society are classified by the state classification system as if they were state employees and receive all general pay increases granted state employees (22 V.S.A., section 285).
- VHS is both a tenant and a landlord of the State of Vermont Fee for Space (\$254,061 or \$14.69/sq. ft. in FY2018 for 14,297 square feet) is assessed for the museum space in the Pavilion in Montpelier; rent is received (\$11,500 or \$6.22/sq. ft. in FY2018 for 1850 square feet) for space provided for the Archaeology Center or ACCD at the Vermont History Center in Barre. For FY2019, these rents are assumed to not change. In addition, the FY2019 VHS budget includes rent from the State Department of Libraries of \$183,450 in Barre at \$12.50/sq.ft. for 14,676 square feet.
- VHS provides secure, environmentally-controlled space and curatorial oversight for the State's collection of historic flags, including Civil War regimental flags and guidons without charge.
- With the consolidation of the State Library, VHS is now the primary research facility for the study of the culture and heritage of Vermont by both professionals and casual researchers alike.
- VHS provides meeting rooms and emergency alternate work sites at the Vermont History Center without charge to state agencies.
- The Vermont History Center provides the eastern anchor of Barre's economically vital downtown, serving as a tourist draw, visual punctuation, and key partner in downtown initiatives.

- The Vermont History Museum in Montpelier is a key attraction in the capital city and serves as Vermont's state museum.
- Our work with, and support of, over 200 local historical societies and museums throughout the State advances their vitality in the communities they serve.

Key Budget Issues:

The Vermont Historical Society (VHS) ran operating deficits since opening the Vermont History Center in 2002. With the hiring of a new Executive Director and a strategic reassessment of budget strategy, fundraising, and earned revenue as well as staff retirement and the recasting of staff structure, the \$200,000 operating deficit of FY15 was cut in half by the end of FY16 and eliminated in the FY17. The largest budget pressures on VHS result from the cost of running the 50,000 square-foot History Center in Barre, 13,000 square-foot State Museum in Montpelier, and personnel expenses that are fixed according to statute. VHS has managed to maintain a minimum level of staffing throughout changes in the past year, but those levels are always at risk with the rising costs of salaries and benefits. Efficiency projects and addressing deferred maintenance issues are important to mitigating the cost of the History Center building.

A key component to the long-term stability of the society and its physical plant was realized in FY18 when the State of Vermont and the Historical Society partnered to renovate the remaining vacant space at the History Center to house the State Library. The lease payment of this arrangement saves the State Library money over other space options and provides needed revenue support to the Historical Society. In the first 10 years, this revenue covers the cost of maintaining the extra space and will eliminate the debt incurred for renovations and 15 years of deferred maintenance. Ultimately, the arrangement provides financial stability to the Historical Society in the long-term by covering the true costs of maintaining the historic structure and eliminating persistent debt. With the lease agreement in place, the Vermont Historical Society will not request funds from the Capital Appropriation save under catastrophic circumstances.

With support from National Life, the Vermont History Museum (State Museum) in Montpelier has seen needed updates to the 15-year-old exhibits and will add interpretation of events taking place in Vermont from 2001 to now (current exhibit ends with events of 2001). New curriculum, now under development, will provide trusted information and experiences to the thousands of Vermont school-children who visit the museum and Capitol each year.

VHS has put an increased focus on its role in serving Vermonters throughout the state, both through local society support and state-wide programming and media. Membership remains strong and VHS looks to increase the level and effectiveness of its fundraising.

Over the next few years the operating agreement between the Vermont Historical Society, State Library, and State Archaeological Study Center will be refined to find and exploit further operating efficiencies.

Finances are still very tight, but with the State's continued partnership, we can achieve these realistic goals to make VHS a sustainable partner in preserving the State's story as it has since the legislature created the organization in 1838.

Vermont Historical Society
 FY2019 Operating Budget - Proposed
 July 1, 2018 to June 30, 2019

Revenue	FY2016 Actual	FY2017 Actual	FY2018 Budget	FY2019 Budget	\$ Increase or Decrease	Notes
Annual Fund / Membership Contributions	\$ 369,077	\$ 325,400	\$ 335,000	\$ 340,000	\$ 5,000	
Restricted Contributions/Sponsorships	\$ 75,000	\$ 351,628	\$ 40,000	\$ 40,000	\$ -	
Fees	\$ 53,711	\$ 54,578	\$ 67,800	\$ 67,800	\$ -	
Fundraising Events	\$ 40,199	\$ -	\$ 25,000	\$ 25,000	\$ -	
Grant Income	\$ 18,885	\$ 86,726	\$ 40,000	\$ 25,000	\$ (15,000)	
Investment Interest & Income	\$ -	\$ 1,542	\$ 2,500	\$ 2,500	\$ -	
Museum Store	\$ 29,507	\$ 23,426	\$ 23,000	\$ 25,000	\$ 2,000	
Rental Income - VHC	\$ 8,214	\$ 11,500	\$ 11,500	\$ 191,134	\$ 179,634	VT Libraries Rent \$179634 VAHC 11500
State Appropriation	\$ 736,648	\$ 742,885	\$ 742,885	\$ 742,885	\$ -	Total VT Appropriation \$961,427
Internal Service Fee Appropriation	\$ 204,735	\$ 211,469	\$ 254,061	\$ 218,542	\$ (35,519)	Per ST VT Allocation at Pavilion
State Pay Act Supplement	\$ 33,182	\$ 42,860	\$ 35,000	\$ 35,000	\$ -	
Transfers Endowment and Restricted Funds	\$ 99,255	\$ 109,530	\$ 115,998	\$ 96,977	\$ (19,021)	5%
	\$ 1,668,411	\$ 1,961,544	\$ 1,692,744	\$ 1,809,838	\$ 117,094	
Expense						
Personnel - Salaries	\$ 802,610	\$ 792,762	\$ 811,319	\$ 835,659	\$ 24,340	3% increase
Personnel - FICA	\$ 61,400	\$ 60,094	\$ 62,017	\$ 63,928	\$ 1,911	
Personnel - Retirement	\$ 124,000	\$ 116,992	\$ 121,690	\$ 125,341	\$ 3,651	
Personnel - Health & Dental & Life	\$ 84,356	\$ 33,946	\$ 32,177	\$ 35,468	\$ 3,291	
Personnel - Worker's Compensation	\$ 10,269	\$ 10,598	\$ 8,000	\$ 8,000	\$ -	
Administration & Finance	\$ 65,770	\$ 72,794	\$ 73,500	\$ 73,500	\$ -	
Internal Service Fee, Pavilion Building	\$ 204,735	\$ 211,469	\$ 254,061	\$ 218,542	\$ (35,519)	Per ST VT Allocation at Pavilion
Loan Interest	\$ 15,519	\$ 18,109	\$ 18,500	\$ 46,493	\$ 27,993	
Development	\$ 15,650	\$ 13,303	\$ 14,000	\$ 14,000	\$ -	
Membership	\$ 13,250	\$ 57,704	\$ 74,000	\$ 74,000	\$ -	
Education, Public Programming & Outreach	\$ 14,650	\$ 89,984	\$ 32,330	\$ 37,330	\$ 5,000	
History Expo	\$ 95,000	\$ -	\$ -	\$ -	\$ -	
Library Programs	\$ 13,800	\$ 5,174	\$ 13,650	\$ 13,650	\$ -	
Museum Programs	\$ 27,541	\$ 300,703	\$ 20,000	\$ 20,000	\$ -	
Museum Store Supplies & COGS	\$ 29,850	\$ 11,713	\$ 11,000	\$ 12,500	\$ 1,500	
Publications	\$ 6,000	\$ 2,909	\$ 1,500	\$ 1,500	\$ -	
VHC Operating Expenses	\$ 140,856	\$ 139,969	\$ 145,000	\$ 190,454	\$ 45,454	\$5.25/sq ft
	\$ 1,725,256	\$ 1,938,223	\$ 1,692,744	\$ 1,770,364	\$ 77,620	
Revenue less Expense	\$ (56,845)	\$ 23,321	\$ -	\$ 39,474	\$ 39,474	
Principal debt payments	\$ 41,000	\$ 41,000	\$ 50,000	\$ 39,474	\$ -	
Capital Bill Debt Reduction Appropriation/VHS Match	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	
Special Transfer from Endowment	\$ 100,000	\$ -	\$ -	\$ -	\$ -	
Net Operating Deficit / Surplus	\$ 2,155	\$ 32,321	\$ -	\$ 0	\$ -	Fy19 balanced budget