A Proposal to Best Meet the Mission of the Haines Sheldon Museum:
Effective Governance and Management for Our Community Asset

September 1, 2020

Presented by: The Haines Sheldon Museum Board of Trustees

Summary

As the Board of Trustees for the Haines Sheldon Museum, we are reimagining the museum, and re-engaging with the mission in ways that acknowledge the deeply-rooted history of the museum, and honor the intention of Haines Borough code calling for an independent community museum. Along the way we share the excitement of strengthening the mutually-beneficial partnership with the Borough, and setting a foundation for the museum to thrive far into the future.

For over 40 years officially, and far more unofficially before that, the museum has been instrumental in collecting, preserving, interpreting, and sharing our community’s rich historic legacy and diverse cultural heritage. Few would argue that the museum has not fulfilled this responsibility admirably. At the same time, few who have been paying attention would argue with the belief that the last several years have challenged the effective governance and management of our shared community asset. For many reasons, including COVID-19 and its resulting devastating economic impacts, coupled with a lack of clarity about who is in charge of the museum and its staff – the Borough or the Board? – trustees have held work sessions over the last several months to chart a course forward, based on a number of questions:

- What is the long-term vision for sustainable governance and effective management?
- How does the current structure and practice make a bright, sustainable future challenging?
- How should the board, Assembly, other partners, and the community address the confusion in Haines Borough Code about who ultimately has responsibility for the museum’s mission?
- How does the fact that museum staff are approved by, hired by, paid by the Borough, and within a union contract, hamper the ability of the museum to thrive in these most trying times?
- What is the best organizational structure and business model that will allow for sustainable governance and effective management of the museum, leading to the ability of the museum to best meet its important mission far into the future?

These and many other questions have sparked conversations amongst the Board of Trustees, and with partners, stakeholders, and the community – these questions have been a catalyst, pushing the discourse forward, and leading trustees to propose a more sustainable model for governance and management of the Haines Sheldon Museum. The details of that structure, as well as thoughts on the main issues a new business model will address, are presented with greater detail in the document that follows.
Why are we here

Like many nonprofit organizations across the state and throughout the nation, the global coronavirus pandemic brought significant challenges, but also offers the Haines Sheldon Museum a unique opportunity. As a result of COVID-19, and the drastic shift in museum operations since the beginning of the crisis, the museum’s Board of Trustees (the Board) has been able to step back from busy summer operations to closely examine the organization’s capacity to meet its essential mission – to collect, preserve, interpret, and share the rich history and diverse culture of the Chilkat Valley. As part of this effort the Board has been able to scrutinize its current organizational structure, look more closely at the partnerships that support it, as well as catalyzing strategic discussions around long-term sustainability.

Notably, one important aspect of this effort has been an analysis of the current organizational structure of the museum, its placement in and working relationship with the Haines Borough, the long-term effectiveness of the current business model, and whether it really allows the museum to thrive well into the future. Over the course of the last several months the Board has engaged in numerous conversations internally, and in a number of work sessions, with select local stakeholders, experts on museum operation in Haines and across Alaska, the Borough Assembly and leadership, as well as The Foraker Group, Alaska’s state nonprofit association and nonprofit capacity builder. Current staff were not included in the process because of the obvious conflict of interest. Similarly, the immediately former Executive Director was not included due to a current grievance filed against the Borough. The overall desire of the Board was to maximize transparency, and develop a new, preferred organizational structure and business model that will enable the museum to thrive as an asset – an invaluable public trust – with significant community, economic, and cultural benefits.

Thoughts on timing

While some in the community might question the timing and outcome of the process – Why didn’t the Board act earlier? What took so long? How did COVID-19 act as a catalyst for this important conversation? And alternatively, why is this process moving so quickly? In many ways, questions about timing of this effort by the Board are irrelevant. We are doing it now. Many voices in the community – the Board, current and former staff, Borough leadership, mission partners, and community stakeholders – have been highlighting the necessity of undertaking this type of inquiry, and doing just what the Board is doing now. However, in the opinion of the Board, the community will was not really there, until this year. Yes, the reality is that COVID-19 accelerated this discussion, highlighting challenges with the current iteration of the organizational structure and business model, and emphasizing the trouble the organization has had attracting a full complement of Board members as required by Haines Borough Code. Even with the five current members of the Board, all appointed by the Borough Assembly, there is the necessary quorum – five members – to make decisions. Most importantly, the small but committed Board has been asking the difficult questions and having the difficult conversations, leading the Board to make the proposal contained herein.

Who we are, where we came from and where we are going

For many decades the Haines Sheldon Museum has been committed to a simple mission – to collect, preserve, interpret, and share the rich history and diverse cultures of the Chilkat Valley. In meeting that mission the museum has relied on a significant partnership with, first, the City of Haines and then the
consolidated Haines Borough. That partnership has always been a foundation for assisting the museum with its presentation of artifacts, clan trust property, and memorabilia which enhances the quality of life for area residents and visitors; informs researchers and historians; inspires artists and creative writers; and encourages community pride through permanent, temporary, and traveling exhibits, and through a variety of outreach programs for schools and the public. The museum facility, owned by the Haines Borough, represented a monument to community effort. The Presbyterian Church donated the land to the Haines Women’s Club, the driving force behind the construction of the Museum. Bazaars, pie and bake sales, hike-a-thons and other assorted fund-raisers, grants, support from the Haines Borough and City of Haines, and an untold amount of volunteer labor, have made possible the accredited facility we have today. The museum was dedicated in 1980, accredited by the American Association of Museums in 1991 and now operates with a modest, professional staff and many faithful volunteers.

The Current Structural/Operational Iteration

Under current Haines Borough Code the Haines Sheldon Museum has operated for more than 40 years as an independent Alaska-chartered, federally tax-exempt 501(c)(3) nonprofit, in partnership with the local government. The partnership with the Borough has had several main components over the museum’s life:

1) That museum staff are employed by, paid by, and receiving benefits from the Borough
2) That museum staff are supervised by the Museum Board of Trustees
3) The museum operates out of a facility owned and maintained by the Borough
4) With a board appointed by the Assembly, and
5) Offering programs and services focused on a collection owned by the nonprofit

It is clear that the intent of Haines Borough Code, with respect to the museum, is for the Board to exercise absolute control over all museum operations, including staff. During the last several years, and under the leadership of a number of Borough Managers, it is likewise apparent to the Board that there have been conflicting interpretations of the board’s unqualified responsibility over all aspects of the museum. In addition it was the conflict for staff regarding Code and the Union Collective Bargaining Agreement (CBA). Until the former Manager got it corrected the Board was not even mentioned in the CBA, particularly in the grievance process.

The foundation for the strong partnership between the Haines Sheldon Museum and the Haines Borough resides in a number of places:

1) Beginning with section 6.01 of the Haines Borough Charter stipulating the assembly’s areawide powers, including museum powers
2) Borough Code, Sections 2.100.10 thru 2.100.50, focused on museum governance
3) How the Board is defined as an ‘empowered’ board, similar to the school board and the library board, exercising significant control and oversight
4) Section 2.04.030 regarding employees of the Borough, specifying that museum employees have a different, non-supervisory, relationship with the Borough Manager
The pertinent sections of the Borough Charter and Code are presented here:

**Areawide Powers.**

The Haines Borough shall exercise areawide the powers to provide for tax assessment and levy; planning, platting, zoning; and education.

In addition, the Borough may exercise on an areawide basis, by ratification of this charter, the powers to provide for the following services:

1. control of hazardous substances,
2. emergency medical services and other medical services,
3. emergency dispatch,
4. ports and harbors facilities,
5. financing capital improvement projects,
6. public parks and recreational facilities,
7. public libraries,
8. museums,

Furthermore, the actual structure and function of the Museum and its Board of Trustees live in Section 2.100 of the municipal code, which says the museum is operated and administered in its entirety by the Board of Trustees:

2.100.010: The Sheldon Museum and Cultural Center, Inc.

The Sheldon Museum and Cultural Center, Inc., including a building owned and staffed by the Haines Borough as the repository of the collections and articles on loan or acquired and owned in public trust by the Sheldon Museum and Cultural Center, Inc. and its other assets, is operated and administered in its entirety by a board of trustees.

2.100.020: Museum board of trustees.

The museum board of trustees shall consist of nine members who shall serve staggered terms of three years. Board members shall not receive compensation for services rendered as trustees. The museum director is an ex officio member of the board.

2.100.050: Duties and responsibilities of museum board of trustees.

The museum board of trustees shall:

A. Have general responsibility for and authority over all of the physical, fiscal and human resources of the museum (including collections, buildings, grounds and staff), within the limits of funds appropriated by the Borough assembly and available from other sources;
B. Submit to the Borough manager a detailed and itemized estimate of probable revenues and expenditures for the next fiscal year;

C. Make rules and regulations for the administration and control of the museum;

D. Have authority to allocate Borough-appropriated funds for museum staffing within the scope of the collective bargaining agreement with the Local 71 Union;

E. When the position of museum director is vacant and has been properly advertised, review all applications received. The museum board of trustees shall make a recommendation for hire to the mayor. The mayor shall review the board’s recommendation for hire and request confirmation by the Borough assembly. The museum director, serving at the direction of the board of trustees, will have the administrative responsibilities of the operation and maintenance of the museum and management of the collection. The director shall work with the Haines Borough manager regarding staff and building matters. (Ord. 05-01-093)

Staffing for the museum is covered in code as well, in Section 2.04.030 Employees, saying this:

B. All other employees of the Borough except school district, museum and library employees, shall be hired by, and may be removed by, the manager. Such persons, except for department heads, may be removed by the manager without the approval of the assembly, but such removal shall be subject to the rights conferred under this title. The manager may, in writing, direct any Borough officer or department head to hire, suspend and/or remove any or all employees who serve under such Borough officer or department head.

The Main Issues

In its effort to honor the Haines Borough Charter and Municipal Code, it has become clear that there are a number of issues that make honoring the intention of the Borough difficult. Those issues include unclear authority in implementation, in that it is no longer clear who has ultimate authority over museum staff, including the interplay between the Board as supervisor of all staff and their position as Borough employees. This is further confused by the staff’s membership in the Union. The system in Borough Code with respect to the museum worked for a long time. It has been a nearly impossible task managing employees who in Code report to the Board, and in practice are Borough employees, subject to Union contractual agreements that are not even addressed in Code. Of particular concern to the current Board is whether it is even legal for them, as a volunteer board, to exercise control over Borough employees. Employee management aside, it is clear in Code that the Board has the responsibility to restructure the staffing at the museum, but as pointed out that has been a continuing challenge. Over time, so many different interpretations have made waters very muddy.

These issues are at the core of the discussion around this proposal for a different organizational structure for the museum, one that better meets the needs of the nonprofit, the Borough, and the community. Our option for moving forward, one that is different from the current iteration and preferred by the Board of Trustees, will enable the Board to meet the intent of Borough Charter and Code – that it is 100% responsible for all museum operations, including staff supervision – and that the Borough eventually will not be the employer of museum staff.
The Preferred Option – A Wholly Independent Nonprofit with a Strong Borough Partnership

The Preferred Option being presented by the Haines Sheldon Museum Board of Trustees is an independent 501(c)(3) nonprofit museum operating independently of the Borough, but with a strong, clearly defined partnership. The Borough will maintain long-term financial support to the organization responsible for the stewardship or guardianship of the community’s historical and cultural assets. We propose a gradual shift away from having Borough employees staff the museum. In presenting this preferred option, we reference, rely on, and stand by the Haines Borough Charter which specifies “museums” to be one of the Borough’s powers, and Borough Code which clearly presents an independent nonprofit entity governed by the community and significantly supported by the Borough with respect to meeting its mission. This Preferred Option honors the over 40-year desire for an independent, nonprofit entity acting as stewards of the community’s historical and cultural legacy.

The essential aspects of this preferred option are presented below. It is important to note that some shifts in Haines Municipal Code will be necessary to fully realize this Preferred Option.

- A completely independent 501(c)(3), with a board that is self-perpetuating, and no longer appointed by the Assembly
- A self-perpetuating board of seven to nine members, with the potential for designated seats representing important partners and stakeholders
- A new staffing structure comprised of a Curator focused on mission and a senior Business Manager, and education and outreach
- All new position descriptions and new hires will henceforth be determined and will be employed solely by the independent nonprofit
- Remaining staff will continue to be employed by the Borough, as in the current iteration, but through attrition will become staff of the nonprofit. When current staff leave their positions, the nonprofit will take over employment responsibilities. In other words, the two current staff positions will no longer be part of the Borough, or the Union, once current staff transition out
- As a facility housing the museum’s collection, the Haines Borough will continue to own and maintain the museum facility, as in the current iteration
- The Borough and nonprofit will negotiate a Memorandum of Agreement which will clearly outline the responsibilities of each party to the Partnership and affirm a Borough annual appropriation to the nonprofit for the responsibility of stewardship of the Borough’s rich history and diverse cultures.

Proposed Staffing Requirements

Part of the discussion at work sessions have been around proposed staffing, and what positions would be necessary for moving the organization forward, and building a solid base of sustainability. Identifying possible positions in the organizational structure is step one, trustees believe, and will be fleshed out in a follow-up business plan. We anticipate up to three senior level staff with varying duties and responsibilities, as well as appropriate expertise and experience. These staff members will be tasked with working together to meet mission under a flat leadership structure:
• A Curator (Collections Manager) with specific experience in the museum profession, specifically with respect to the collection – collecting, preserving, interpreting
• An Education/Outreach Manager with responsibilities related to sharing the collection
• A Business Manager with expertise and experience in nonprofit business operations, specifically the administrative activities supporting the mission work of the Curator and the Education/Outreach Manager

Other necessary staff will be identified during the business plan process proposed at the conclusion of this document.

In terms of benefits, this proposal for a gradual stepping away from museum staff being employed by the Borough present an opportunity for the Borough to put full responsibility for museum operations in the hands of the Museum Board of Trustees, minus facility maintenance, which will address the myriad issue around lack of clarity around authority.

Highlighting some of the main reasons why another structure, or continuing to work within the current iteration, is difficult seems important at this point:

• Can’t really even do this, especially as we want to make the best staffing structure, because of the fact that we have to follow the Borough step chart for salaries we cannot construct our own job descriptions
• The Board of Trustees does not have true governance control
• Remaining lack of clarity regarding oversight of staff
• Differing interpretations may continue to cause problems
• It is possible for staff to go to the Borough Manager if they don’t like what the board says – playing both sides against one another

Next Steps and Timeline

This proposal will first be presented to the Assembly’s Government Affairs and Services Committee on September 1st, where we hope to receive approval to present this option to the full Assembly. Once the Assembly gives its go-ahead, the Board of Trustees will begin development of a comprehensive Business Plan for the Preferred Option, which we will have completed by the November Assembly meeting (10th). We are committed to working with the Assembly on any other necessary activity, to include development of the MOA mentioned above.