

Carnegie Building/City Assets Ad Hoc Committee



10:00 a.m.
Friday, September 12, 2014
Governmental Center - Second Floor Training Room
400 Boardman Avenue
Traverse City, MI 49684
Posted and Published: September 9, 2014

If you are planning to attend the meeting and you have a disability requiring any special assistance at the meeting, please notify the City Clerk, immediately.

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Agenda

1. Consideration of naming a secretary
2. Discussion regarding immediate needs with regard to the Carnegie Building
3. Discuss timeline for providing a recommendation to City Commission specific to the Carnegie Building and Con Foster Collection
4. Discuss process for developing recommendations for future use of the Carnegie Building and other City-owned properties
5. Public Comment
6. Task Review
7. Adjournment

Memorandum

The City of Traverse City



TO: City Commission Ad Hoc Committee on Future Use of the Carnegie Building and City Owned Assets:
Commissioner Jeanine Easterday, Chairperson
Commissioner Gary Howe
Commissioner Ross Richardson

COPY: Benjamin Marentette, City Clerk
Dave Green, Director of Public Services

FROM: Jered Ottenwess, City Manager JO

DATE: September 9, 2014

SUBJECT: CARNEGIE BUILDING AD HOC COMMITTEE MEETING

Background:

At the August 11, 2014 regular meeting of the City Commission, the City Commission appointed an ad hoc committee to discuss the future use of the Carnegie Building, including developing a process to address the future use of any City-owned assets, such as: 517 Wellington St., the coal dock property, and others. The committee was tasked with discussing the future use of the Carnegie Building as a priority. The City has received proposals from the History Center and from the Artcenter for possible future cooperative use of the building.

I have attached a copy of the August 6, 2014 memo to the City Commission that provides background information in greater detail and includes a number of attachments that may be useful. I have also included the most recent Annual Report from the History Center, who is the current tenant of the building.

In the August 6, 2014 memo, I recommended the basic outline of a process for developing recommendations for future use of the Carnegie building and other City-owned properties:

1. Determine possible restrictions on the property;
2. Determine whether the city needs the subject property for its operations;
3. Determine whether the city wishes the subject property to be used for a

- specific purpose;
4. Preparation of a request for proposals in public bidding process;
 5. Determination of their value of the subject property; and
 6. Examination of any responses to the request for proposals and award of bid

History Center Treasurer Steve Morris recently notified me that their board made a decision on August 26th to give notice that they intend to terminate the Management and Lease Agreement with the City pursuant to the Agreement. I asked Mr. Morris to delay that formal action until after this ad hoc was able to meet and discuss immediate concerns facing the History Center. I understand that the History Center is at the point where they may be unable to pay utility bills and payroll. The ad hoc may want to make a recommendation to the City Commission as soon as practical with respect to the History Center's financial difficulties and the possibility of the City Commission making some allowance.



The City of Traverse City

Communication to the City Commission

FOR THE CITY COMMISSION MEETING OF AUGUST 11, 2014

DATE: AUGUST 6, 2014

FROM: ^{JO}JERED OTTENWESS, CITY MANAGER

SUBJECT: FUTURE USE OF CARNEGIE BUILDING

BACKGROUND

The City of Traverse City currently has a Management and Lease Agreement with the History Center of Traverse City (attached) to “engage the services of the History Center to furnish technical and professional assistance to finance, operate, manage, and maintain the [Carnegie] Building and the public museum function at the Building with the intent that the History Center will become totally self-sufficient.” The term of the Agreement ends on December 31, 2014. The Agreement includes a provision that if at the end of the Agreement the History Center “has demonstrated it is financially capable of sustaining operations and maintenance of the Property, the City will either convey fee title or lease for 99 years” to the History Center the Carnegie Building. However, based on their annual financial report submitted to the City, the History Center has not demonstrated that they are financially capable of sustaining operations and maintenance. Further, the Management Proposal 2014-2017 submitted by the History Center to the City on June 12, 2014 states that the History Center’s “resource projections for the remainder of 2014 and 2015 are not adequate to sustain” operations and maintenance required by the Management and Lease Agreement.

Two primary issues concern the City moving forward: (1) Carnegie Building and (2) Con Foster Collection.

(1) Building: the Carnegie Building itself houses not only the History Center’s archival materials and Museum of History operations. Space is also occupied/rented by the Railroad Historical Society of Northwest Michigan, Grand Traverse Area Rock and Mineral Club, Women’s History Project of Northwest Michigan, and the American Association of University Women. The History Center also manages a gift shop; rents meeting rooms for use by the public; and manages a kitchen.

According to the History Center, per their June 2014 Management Proposal, the Building costs \$98,800 annually to maintain, excluding the costs for maintaining the Con Foster Collection. That figure could be lower depending on discretionary costs such as telephone service, building management staff, and cost of heating and cooling system repairs. Regardless, there is a cost to maintain the 110-year old structure no matter what organization occupies it.

Please note that the Carnegie Building serves an important role as a polling location for elections.

Preliminary review of available documentation does not indicate that there are any deed or other similar restrictions on use of the property. Staff is in the process of completing an updated title search.

(2) Con Foster Collection: the collection consists of approximately 10,000 artifacts, which is officially referenced by the Management and Lease Agreement references “Attachment D (the Inventory).” The attachment document is 237 pages long and consists of a broad and diverse range of artifacts. The History Center’s website lists the collection artifacts to include:

- “Native American baskets, rugs, stone tools, weapons and ornaments, copper arrowheads, beadwork, etc.
- Tools – Blacksmith, carpentry, leather making, farming, logging and other types of equipment.
- Decorative Arts – Ceramic, silver, and glass.
- Toys
- Furniture
- Media related materials – Radios, hi-fi equipment, typewriters
- Photographs – thousands showing the history of the Grand Traverse Region
- Vintage clothing and military uniforms
- Local memorabilia”

Two City Commission policies relate to the Con Foster Collection: Con Foster Museum Long Term Loan Conversion Policy and Policy Statement on Collection Accessions, Deaccessions and Loans (attached). The Long Term Loan Conversion Policy deals with loans that were made to the Con Foster Museum but may have incomplete or inconsistent documentation. This policy clarifies the process for such loans to become donations owned by the Con Foster Museum (City) or to be returned to the rightful owner if they can be properly claimed. The Policy Statement on Collection Accessions, Deaccessions and Loans “establishes policies and guidelines for accessions to the collections of the City of Traverse City’s Con Foster Museum, and delineates the circumstances by which objects shall be deaccessioned from the Museum’s collections.” In addition, state law (Public Act 24 of 1992, Museum Disposition of Property Act) regulates deaccession and the City policy includes the major provisions of statute.

HISTORY CENTER OF TRAVERSE CITY

The Carnegie Building is currently home to the History Center-owned archives. The Management and Lease Agreement refers to this as the “two dimensional collection.” The History Center’s website states that “the core of the HCTC Archives is its collection of 28,500 photographs. These photographs, and the archives’ manuscript collection, document nearly 200 years of area history [...] In addition, the Archives holds 4,000 general manuscripts:

- Hard copies of area newspapers dating back to 1868
- Grand Traverse County Plat Books
- Railroad, road and survey maps
- Hundreds of obituaries and biography files on notable area figures”

The History Center’s Management Proposal 2014-2017 states that “it has become clear to all that this organization is unable to continue to sustain these two City properties under the current agreement while meeting its own minimal operational requirements.” Their proposal was provided as a “means of maintaining and safeguarding these valuable resources” and essentially proposes providing the same services the History Center currently provides at a cost of \$124,800 annually beginning on July 1, 2014.

Please refer to paragraph 30 of the Management and Lease Agreement for termination provisions. Either party may terminate without cause upon one year written notice unless agreed otherwise provided that if the History Center is unable to raise sufficient funds to meet its expenses or its obligations under the Agreement, the History Center may terminate with 30 days written notice. History Center representatives have informed me that they “may be forced to exercise [their] option to terminate the current agreement a bit sooner than” this fall. The History Center has therefore requested a new Management and Lease agreement without which they intend to terminate their current agreement with the City prior to its December 31, 2014 expiration.

ARTCENTER TRAVERSE CITY

Artcenter Traverse City has expressed an interest in leasing the Carnegie Building for a community-based arts center. I recently met with Artcenter Traverse City and Crooked Tree Arts Council representatives and they submitted a “Some Talking Points” document (attached) outlining reasons why they would be a good fit with the Carnegie Building and proposing “some lease terms and conditions.” Based on my discussions with Artcenter and Crooked Tree representatives and the community support they have organized, they appear to have the capacity to successfully take over operations of the Carnegie Building as an arts center. Note that they have proposed using 80% of the building with the History Center occupying the remaining 20% for the Con Foster Collection.

Artcenter and History Center representatives have both informed me that they discontinued discussions about jointly leasing and managing the building.

Significant issues that the City Commission should consider include:

- Support for the History Center Management Proposal 2014-2017, which could supersede the existing agreement if implemented immediately;
- Scope of services provided by the History Center and their cost (not included in Fy14-15 Budget);
- Support for the Artcenter's proposal;
- Alternative uses for the Carnegie Building other than those proposed and method for soliciting interest/proposals; and
- Disposition of the Con Foster Collection.

RECOMMENDED NEXT STEPS

The City has multiple properties that are under consideration for various proposed uses right now: coal dock and the Discover Center proposal, 517 Wellington and the Safe Harbor proposal (as well as an anticipated proposal from NorthStar Soccer, Inc.), and Carnegie Building and History Center and Artcenter proposals. City staff, including the City Attorney, has been working on developing a more consistent approach to responding to proposals and possible disposal of City-owned property. The basic outline of the recommended process follows:

1. Determine possible restrictions on the property;
2. Determine whether the City needs the subject property for its operations;
3. Determine whether the City wishes the subject property to be used for a specific purpose;
4. Preparation of a request for proposals and public bidding process;
5. Determination of fair value of the subject property; and
6. Examination of any responses to the request for proposals and award of bid.

I recommend the City Commission form an ad hoc committee to work through this process for the Carnegie Building and bring a recommendation back to the full Commission.

Attachments:

1. Management and Lease Agreement between City and History Center of Traverse City, Inc.
2. City of Traverse City – Con Foster Collection: Con Foster Museum Long Term Loan Conversion Policy
3. City of Traverse City – Policy Statement on Collection Accessions, Deaccessions and Loans
4. History Center of Traverse City Management Proposal 2014-2017
5. Artcenter of Traverse City “Some Talking Points”

e-copy: Madelyn Buteyn, History Center Acting Executive Director
Paul LaPorte, Artcenter

*Gen Consensus - Ad Hoc for process to use for "Use of city property" in general + specifically,
emphasis - to the Carnegie Building. Plus timeline for recommendation to CC.*

**MANAGEMENT AND LEASE AGREEMENT
(HISTORY CENTER OF TRAVERSE CITY, INC.)**

THIS AGREEMENT is made this 31 day of December, 2012, by and between the CITY OF TRAVERSE CITY, a Michigan municipal corporation, of 400 Boardman Ave., Traverse City, Michigan 49684 (the "City"), and HISTORY CENTER OF TRAVERSE CITY, INC., a Michigan non-profit corporation, of 322 Sixth Street, Traverse City, Michigan 49684 (the "History Center") for the purpose of the operation, management, financing, and maintenance of the building housing the History Center of Traverse City, formerly known as the "Grand Traverse Heritage Center"(the "Heritage Center"), "Traverse City Library," or the "Carnegie Library," for continued public use and benefit.

WHEREAS, the building housing the History Center located at 322 Sixth Street, Traverse City, Michigan, is suitable for the operation of a local museum; and

WHEREAS, the building located at 322 Sixth Street, Traverse City, Michigan (herein referred to as the "Building") is owned by the City of Traverse City; and

WHEREAS, the Heritage Center has been managing the museum function under the terms of a Management and Lease Agreement dated January 1, 2011, as amended, which management the parties wish to continue; and

WHEREAS, the Heritage Center merged with the Traverse Area Historical Society, creating the History Center on October 14, 2010; and

WHEREAS, the City desires to continue to engage the services of the History Center to furnish technical and professional assistance to finance, operate, manage, and maintain the Building and the public museum function at the Building with the intent that the History Center will become totally self-sufficient; and

WHEREAS, the History Center wishes to continue to furnish such technical and professional service as well as raise funds to pay the expenses of the Building operation and maintenance and have represented that they have staff with the education, expertise, and capability to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Operation, Management and Maintenance. The History Center shall operate, manage, finance and maintain the Building. The History Center shall house, maintain, and make available to the public the City's historical artifacts, which heretofore have been housed at the Con Foster Museum. All of the History Center's activities shall be in accordance with this Agreement and the following, which are incorporated herein by reference:

- a. The Scope of Services, Attachment "A."
- b. The History Center's Statement of Purpose incorporating the Con Foster

Museum's Statement of Purpose, Attachment "B."

- c. The Building Use Policy, Attachment "C."
- d. The Museum Disposition of Property Act (MCL 39.601, et seq; MSA 15.1817(601) et seq), and Museum equipment list and inventory, Attachment "D."
- e. Access, Parking and Snow removal policies, Attachment "E."
- f. All other applicable laws and regulations.

2. Lease. The City leases to History Center the property, being both land and Building, consisting of 322 Sixth Street, Traverse City, as defined in Section 2.f (the "Property"). The use of the Property shall be a) to house historical artifacts, documents and similar collections, both in storage and public display and for accessory office space b) to conduct the business of History Center, its members and directors and c) to make space available for such public or private meetings as is authorized by the History Center's board of directors. During normal business hours and subject to the rules and policies of History Center, the public will have access to meeting rooms, museum galleries, reading rooms, a kitchen, a library, classrooms, restrooms and the elevator. The History Center shall not deny access to any person or organization based solely upon the identity, mission, or beliefs of the person or organization. The History Center by written agreement may allow other non-profit organizations with similar purposes to occupy space in the Building and house their collections. The terms of this lease are contained in this Agreement and are subject to the following:

- a. The History Center shall operate the Building and manage the use of the Property for all events and activities of the occupants.
- b. The History Center acknowledges that it has made its own determination as to the suitability of the Property for this use.
- c. The History Center agrees that the use and occupancy of the Property shall conform in all respects to the City Charter and to all applicable statutes, ordinances, rules, regulations and orders.
- d. The History Center shall not cause or permit any unsafe, offensive or obnoxious activity or public nuisance on the Property.
- e. The History Center shall immediately submit to the City a written report of any accident occurring on the Property or any dangerous or unsafe condition observed by the History Center, their agents, or employees.
- f. The Property is and shall at all times remain that of the City of Traverse City. The Property consists of the former library buildings and exterior sidewalks with parking lots located in the front, rear and west side of the

Building and a 4-foot zone around the foundation from the building only, and not the surrounding real property beyond that already included in this Section 2.f.

- g. The History Center may not sublease or allow regular occupancy to any other person without the prior written consent of the City Manager. All such subleases and occupancy agreements shall be in writing and consent thereto shall not be unreasonably withheld.
- h. Section 2.g. above notwithstanding, City and History Center agree that the operation and maintenance of the Property by the History Center shall be free of cost to City. At the end of the term of this Agreement, if the History Center has demonstrated it is financially capable of sustaining the operation and maintenance of the Property, the City will either convey fee title to History Center or lease for 99 years or such other substantial period of time to History Center, for a nominal consideration, as the City Charter, the ordinances of City, or laws of the State of Michigan may allow, all of the Property, plus such Collection, Inventory and Equipment referenced below as History Center may request be assigned to History Center. It is acknowledged that the improvements existing on the Property as of the date of this Agreement, to the extent that they are not in compliance with the City's Zoning Ordinance, are valid, nonconforming uses. Any conveyance or lease from City to History Center shall preclude the encumbrance by lien contract or mortgage of the Property without the express written consent thereto by City. Any conveyance or lease of the Property from City to History Center shall contain a provision providing for the interest of History Center, including at the City's election the Collection in the same manner as set forth in Section 6.c, to revert or terminate to City in the event of abandonment of the Property by History Center, failure of History Center to pay applicable ad valorem taxes prior to foreclosure therefore, failure of History Center or its tenant to pay utilities resulting in a shut off of gas or electric service to Building, or failure of the History Center to provide public access as outlined in Section 2 above. A lease or sub-lease from History Center of all or part of Center to a third-party shall not be deemed an encumbrance but shall be subject to the same limitations as provided above for a lease to History Center. In the event the History Center does not wish to exercise its option to receive fee title to the Property or enter into a 99 year lease at the end of the term of this Agreement, as described in this section, or the History Center is not financially capable of sustaining the operation and maintenance of the Property, the History Center shall vacate the Property on or before December 31, 2014 and the Agreement shall terminate in its entirety except those provisions that expressly survive the termination of this Agreement. In the event History Center vacates the Property, History Center and City will endeavor to reach agreement on the future administration or disposition of Collection, Inventory and Equipment

referenced below.

3. Compensation and Method of Payment. During the term of this Agreement, the History Center shall retain the proceeds of usage fees and admissions, donations, and store sales to pay the expenses of the Center's building operation and maintenance. The City shall pay to the History Center the interest earnings accrued by the McCauley Trust Fund every six (6) months. The McCauley Trust Fund is a fund maintained by the City of Traverse City for the benefit of cultural and recreational activities and parks.

Unless otherwise stated, this compensation supersedes and replaces the City's compensation obligations under all previous agreements between the parties.

4. Term. The services to be rendered under this Agreement shall commence on January 1, 2013, and continue for a term of two (2) years, until December 31, 2014. No later than January 31 of each year, the City shall receive an annual report of financial and program activity from the History Center. Monthly board meeting minutes as well as any special meeting minutes shall be given to the City. The City shall then evaluate the operations under this Agreement and make recommendations accordingly. The City Manager shall be notified of all History Center Board meetings and is encouraged to participate in person or by a representative of all such meetings, but shall not have voting privileges.

5. Inventory, Collections and Equipment

- a. In the operation, management, and maintenance of the Building, the History Center shall have available for use the following inventory, collection and equipment included as part of the History Center operation:
 - i. The historical artifacts collection of the City's former Con Foster Museum (the "Museum"), which collection is listed on a computer disk entitled "Accession List" (the "Collection").
 - ii. The inventory and equipment of the Museum, which inventory is listed on Attachment "D" (the Inventory), and which equipment is listed on Attachment "D" (the Equipment), are attached hereto and incorporated herein by reference.
- b. The Collection, Inventory and Equipment of the Museum is, and shall at all times during the term of this Agreement, remain the property of the City of Traverse City. The two dimensional collection, currently the property of the History Center, will remain the property of the History Center and administration of it shall be subject to the terms of the merger agreement with the former Historical Society.
- c. Donations to the Museum or the City shall be reviewed and approved by the History Center appointed Collections Committee in accordance with the City's

Collection Policy and, if accepted, shall be added to the Collection. The History Center shall notify the City on an annual schedule of such donations. On behalf of the City, the History Center will provide a receipt to the donor and shall add such donation to the Accession List in a computerized catalog of inventory. The History Center shall not accept or display at the property, items in the History Center's name, but only in the name of the City, pursuant to the City Collections Policy.

- d. The History Center may exhibit the Collection at locations other than the Center in accordance with the City's Collections Policy, but may not permanently change the location of the Museum collection without the prior approval of the City Manager.

6. Conditions of Property, Collection, Inventory and Equipment, Alteration, Maintenance and Repair-Obligations of History Center.

- a. Except as otherwise noted, the History Center shall maintain the Property, Collection, Inventory and Equipment, in a clean and sanitary condition and in as good a condition as when received, ordinary wear and tear excepted, until the termination of this Agreement.
- b. The History Center agrees to be responsible for the Property, Collection, Inventory and Equipment on behalf of the History Center or the History Center's agents, other occupants, employees, guests or invitees.
- c. All improvements to the Property and three dimensional (3-D) additions to the Collection, Inventory and Equipment shall be the sole property of the City at the termination of this Agreement with the exception of any two dimensional (2-D) items, such as photographs and documents, donated during the term of this Agreement to the History Center which will become property of the History Center.
- d. The History Center shall be responsible for and shall pay all other maintenance and cleaning fees or costs such as routine light bulb replacement, interior painting, routine cleaning, sweeping and so on.
- e. The History Center agrees to pay for any and all discretionary capital improvements, alterations or additions to the premises deemed desirable by the History Center in support of achieving the objectives outlined in the Statement of Purpose. In the case of all such permanent or semi-permanent alterations, the History Center shall first submit to the City plans and specifications to obtain the City's written approval for such alterations. The City shall not unreasonably withhold or delay its approval of any such nonstructural alterations unless the History Center's proposal would be detrimental to the long-term value of the building or grounds. Any such approved alterations, improvements or additions shall be made at the History

Center's sole expense with such contractors or subcontractors as shall be approved by the City. The terms and conditions of any such contract shall conform in all substantial respects to the City's standard contract form and shall contain a provision requiring the Contractor to indemnify and hold harmless the City, its officers, employees, agents, and volunteers and shall require the Contractor to name the City of Traverse City as an additional insured on all applicable insurance policies.

- f. Except for movable office furniture, fixtures, phone and computer systems and removable light fixtures, unless otherwise directed by the City in writing, no alterations, improvements, additions or physical changes made by the History Center to the building shall be removed by the History Center from the premises at the termination of this Agreement. All alterations, museum furniture, improvements, additions or physical changes at the end of the term shall become the City's property.
 - g. The History Center shall, before making any approved alterations, additions, installations or improvements, obtain at its expense all permits, approvals or certificates required by any governmental bodies and (upon completion) certificates of final approval.
 - h. The History Center agrees to provide maintenance and lease hold improvements, as necessary, in order to keep the Property in good order and satisfactory condition and suitable for the purposes for which they are leased. Specifically, the History Center shall be responsible for the costs of:
 - i. Ongoing, necessary capital improvements and repairs to the Building, including roof reconstruction, repair or replacement. Heating and cooling system repair or replacement, repair or replacement of the electrical and plumbing systems if needed and all other such building maintenance, repair or replacement that is necessary in order to insure that the premises are in good, clean, tenable, and operating condition.
 - ii. The security system that protects the Collection and will pay the annual maintenance contract for this electronic system.
 - iii. The elevator inspection, maintenance and, if necessary, any required replacement costs in order to insure that the elevator system is in compliance with Federal, State or local zoning and building requirements and the legal-nonconforming status of the elevator is not permitted to elapse.
7. Utilities and Trash. Except as provided above, History Center shall pay all other

utility bills, including heating, electrical, water, and telephone, in a timely manner. The History Center may place a trash receptacle and contract for regular pick-up services at the rear of the building.

8. Insurance Obligations of City.

The City shall be responsible for the cost of any and all insurance on the City's Collection and Building.

9. Good Faith Negotiations. The City and the History Center agree to negotiate in good faith in advance of the expiration of this Agreement regarding the lease or transfer contemplated in Section 2.h of this Agreement.

10. Destruction – Fire and Other Cause. It is understood and agreed that if the premises hereby leased is damaged or destroyed in whole or in part by fire or other casualty during the term hereof, the City will repair and restore the same to good tenable condition and with reasonable dispatch, and that the terms of this Agreement shall abate entirely in case the entire premises is untenable or, if only a portion of the Building is rendered untenable, pro rata for the portion rendered untenable, until such time as it shall be restored to a tenable condition. In the event that the building shall be destroyed to the extent of more than one-quarter of the value thereof, either party may at its option immediately terminate this Agreement by written notice to the other party.

11. Notices. All notices, bills or statements required hereunder shall be in writing and delivered personally or by certified mail at the address of the party being notified contained herein. Either party may change the address for notices by giving notice of the changes as herein set out.

12. Independent Contractor. The relationship of the History Center to the City is that of an independent contractor and in accordance therewith, the History Center covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers, or agents will claim to be officers, employees or agents of the City or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

13. Museum Executive Director and Personnel. The History Center shall provide and hire a qualified Museum Executive Director and any additional qualified personnel necessary to carry out Museum operations. The Museum Executive Director shall be a qualified, trained professional with at least a bachelor's degree and either a degree or experience in museum administration.

14. Ethics. The History Center recognizes that the Museum Collection is held in public trust and as such the History Center shall:

- a. Instruct all their members, employees, occupants, and volunteers that the

Collection is a public trust, and it is the responsibility of all of the History Center employees, occupant organizations and their staffs, and all volunteers to recognize their responsibilities as guardians of that trust.

- b. Become familiar with the standards of ethical behavior such as those adopted by the American Association of Museums and the American Association of State and Local History.
- c. Act with integrity and in accordance with the highest standards in all activities and never abuse their official positions or their contacts within the community, and their activities shall in no way impair performance of their duties.
- d. Abide by the City Museum's collection management policy attached hereto as Attachment F.

15. Indemnification. The History Center shall not hold the City responsible for any debts incurred by the History Center. The History Center shall defend, indemnify and save harmless the City, its officers and employees, from and against any and all claims, liabilities, losses, damages, actual attorney's fees and settlement expenses for injury or death of any person and damage or loss of any property allegedly or actually resulting or arising out of any act, omission, or negligence of History Center or its employees, building occupants, agents or subcontractors, in connection with performing this Agreement, or resulting from or arising out of the joint negligence of the City and that of History Center or any other person or entity. This indemnification agreement shall not be limited by reason of any insurance coverage nor is it intended to waive any governmental immunity that may be asserted by the City. This Section shall survive termination of this Agreement.

16. Bond. The History Center shall post a bond in the penal sum of \$100,000 per year payable to the City for use and benefit of the City conditioned upon the honest care of monies and securities. ^{\$50,000} *[Handwritten signature]*

17. Insurance.

- a. The History Center shall acquire and maintain comprehensive general liability in the amount of at least \$1,000,000 per occurrence insurance coverage and worker's compensation according to Michigan law. The History Center agrees not to change and agrees to maintain such insurance throughout the period of performance of this Agreement and to enforce the same insurance requirements for all occupants. The History Center will upon execution of this Agreement provide a certificate of insurance to the City Clerk. Such certificate shall name the City of Traverse City as an additional insured. Notwithstanding the above, if the City utilizes the Property for a public purpose, such as a polling place, City shall maintain like insurance for its activities.

- b. The City shall maintain and pay for insurance on the Property. The City shall maintain and pay for insurance on the building contents that are part of the Museum Collection, Equipment and Inventory.

18. Access. The History Center shall have access to the Property according to the terms of Attachment "E" attached hereto and incorporated herein. The City Manager or his designee shall have full access to the property, collection and records of the Grand Traverse History Center and of the History Center during all reasonable hours.

19. Compliance with Regulations. The History Center and occupant organizations in the building shall comply with all applicable statutes, rules and regulations of all federal, state and local governments and agencies having jurisdiction, and bear the risk of any such authorities or changes thereto.

20. Standard of Conduct. The History Center shall render all services under this Agreement according to generally accepted professional practices for public building and museum operations. The History Center shall comply with all ordinances, laws and regulations regarding building health and safety. This shall include, but not be limited to, a non-smoking policy, building occupancy limitation, restrictions and building security regulations.

21. Impairment of Title. The History Center shall not, directly or indirectly, encumber or impair the City's title to the property, Collection, Inventory or Equipment.

22. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, sexual orientation, gender identity, or marital status. Breach of this covenant may be regarded as a material breach of this Agreement.

23. Third Party Participation. This Agreement intended to secure the service of the History Center because of their ability and reputation and none of the History Center's duties under the Agreement shall be assigned, subcontracted, or transferred without the prior written consent of the City Manager. Any assignment, subcontract or transfer of History Center's duties under this Agreement must be in writing and have the written consent of the City Manager. The History Center agrees that despite any subcontract entered into by the History Center for services herein, the History Center shall be solely responsible for carrying out the terms of this Agreement. The History Center shall specify in any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the History Center for the Museum operation unless the City and the History Center agree to modification in a particular case.

24. Third Party Beneficiaries. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.

25. Interest of the History Center. The History Center represents that their officers

and employees have no interest and covenant that they will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of the History Center's services and duties hereunder. The History Center further covenants that in the performance of the Agreement, no person having any such interest shall be employed. The History Center further covenants that neither they nor any of their principals are in default to the City.

26. Covenant Against Contingent Fees. The History Center warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, the City shall have the right to annul this Agreement without liability or in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

27. Qualifications of the History Center. The History Center specifically represents and agrees that its officers, employees, agents and consultants have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

28. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in the Agreement, or at such other address a either party may, from time to time, designate by written notice to the other.

29. Amendments. This Agreement may be modified from time to time, but such modification shall be in writing and signed by both parties.

30. Termination. This Agreement, if not sooner terminated under the terms hereof, may be terminated by either party without cause upon one (1) year written notice to the other party unless agreed otherwise provided that if History Center is unable to raise sufficient funds to meet the expenses or to meet its obligations hereunder, History Center may terminate this Agreement upon 30 days advance written notice of such intent to the City.

31. Force Majeure. If because of force majeure either party is unable to carry out any of its obligations under this Agreement (other than obligations of such party to pay or expend money, for or in connection with the performance of this Agreement), and if such party promptly gives to the other party concerned, written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. The term "force majeure" as used herein shall mean any causes beyond and outside the control and without fault or negligence of the party affected thereby, such as acts of God, acts of a public enemy, insurrections, riots, labor dispute, labor or material shortages, fires, explosions, floods, breakdowns of or damage to plants, the equipment, or facilities, interruptions to transportation, rail car shortages, embargoes, legislation, charter amendments or referendum, orders or acts of civil or military authority or other cause of

a similar nature which wholly or substantially prevent the obligations of this Agreement.

32. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties.

33. Venue. Any and all such suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.

34. Governmental Immunity. This Agreement does not constitute a joint endeavor. The parties do not intend to waive any governmental immunity available to a party or an employee or official of a party.

35. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

A. Mediation. If they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.

B. Arbitration. If they are unable to resolve the dispute through mediation, it shall be decided by final and binding arbitration according to the rules and procedures of Arbitration Services of Northern Michigan or a similar agreed to organization. Judgment upon the award rendered by the arbitrator may be entered in Circuit Court.

C. Venue. All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse County.

D. Notice. Written notice of a claim shall be given to the other party not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within 60 days after such notice. Unless a longer time is agreed upon, arbitration must be demanded within 120 days after such notice and, if not, the claim is deemed waived. Arbitration must be demanded within this time limit even if negotiation or mediation has not occurred, but the arbitrator must direct the parties to mediation before issuing an award.

36. Entire Agreement. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein.

37. Freedom of Information Act. The History Center acknowledges that the City may

be required from time to time to release records in its possession by law. The History Center hereby gives permission to the City to release any records or materials received by the City as it may be requested to do so as permitted by the Freedom of Information Act, MCL 15.231 *et seq.* Provided, however, that the History Center shall not be held liable for any reuse of the documents prepared by the History Center under this Agreement for purposes other than anticipated herein.

38. Digital Signatures. The parties hereto acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, *et seq.* that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the parties hereto.

39. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

40. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first mentioned.

**HISTORY CENTER OF TRAVERSE
CITY, INC.**

By: _____

Robert W. Knechel

Its: _____

President

CITY OF TRAVERSE CITY

By: _____

Michael Estes, Mayor

By: _____

Benjamin C. Marentette, City Clerk

Approved as to substance:

R. Ben Biloss
City Manager

Approved as to form:

Lauren Fible-Laucht
City Attorney

ATTACHMENT A
SCOPE OF SERVICES

During the term of a lease of Property between City and History Center, the History Center of Traverse City's management, operation and maintenance of the facility and Museum shall include the following:

1. The Building shall be kept open to the public:
 - a. The History Center shall be kept open to the public throughout the year, a minimum of 150 days each year and at additional times when the meeting rooms and classrooms are in use with staff supervising building security and use.
 - b. The Museum shall be kept open to the public during reasonable hours, a minimum of five days per week from Memorial Day through Labor Day and a minimum of two days per week for the remainder of the year.
2. By October 31 each year, the History Center shall prepare and submit to the City Manager a report of the year's activities. The report shall include, but not be limited to, the following:
 - a. Progress made by the History Center toward meeting its annual and long-term goals for the facility and Museum.
 - b. Goals established for the following year.
 - c. Evaluation of the History Center and Museum programs and exhibits, including presentation and attendance records.
 - d. The status of the Con Foster Collection.
 - e. Any changes in personnel.

ATTACHMENT B
STATEMENT OF PURPOSE

The History Center of Traverse City (History Center) is a non-profit organization dedicated to the preservation, promotion and presentation of the history of Traverse City and the Grand Traverse region. The Board of the History Center manages the City-owned facility to operate, for the public, as a museum, depository for historical collections, research center and a meeting place for educational programs and events. Subject to the rules and policies adopted by the Board of Directors of the History Center and pursuant to the terms of the Management and Lease Agreement between the History Center and the City of Traverse City, the public shall have access and the opportunity for use of the Center's meeting rooms, research collections, archives, exhibit galleries and public programs that further history education in Traverse City and the Grand Traverse region for visitors and residents alike.

**ATTACHMENT C
BUILDING USE POLICY**

Grand Traverse History Center

The History Center of Traverse City (History Center) is a non-profit organization dedicated to the presentation, promotion and preservation of the culture and history of the Grand Traverse Region. The History Center contains the following facilities and is used by several organizations for the following purposes.

1. Office space is provided for partner organizations, which currently include: the Railroad Historical Society of NW Michigan, Grand Traverse Rock and Mineral Club, the Women's History Project of NW Michigan and the American Association of University Women. These groups also have use of the History Center's meeting rooms as part of their rental agreements.
2. The History Center houses the three-dimensional Con Foster Collection by exhibiting and storing the collection in a climate-controlled environment. It also houses the two-dimensional archival collection compiled by the former Traverse City Historical Society in the Irwin-Union Archival Vault and the collections of the other partner organizations in their respective office areas.
3. The Museum of History is housed in the History Center. It is managed by a professional staff that curates the Con Foster Collection, utilizes the collection, sponsors educational programs, and coordinates exhibits and events for the community.
4. The History Center manages a gift shop with publications and specialty items related to local history and culture.
5. The History Center offers public meeting rooms for use by the public for meetings and events. The History Center rents three rooms, the Rotary Charities of Traverse City Community Room, the Thirby Classroom and the Reynolds-Jonkhoff Board Room. Rent for use of these rooms is determined by the non-profit or for-profit status of the renting organization.
6. The History Center manages a kitchen, which is used for events and by renting organizations at a nominal fee.

ATTACHMENT D
MUSEUM EQUIPMENT LIST AND INVENTORY

The Museum Equipment List and Inventory is kept on file and available at the office of the City Clerk.

ATTACHMENT E
ACCESS, PARKING AND SNOW REMOVAL POLICIES

1. The History Center of Traverse City (History Center) will maintain clear and safe access to the building at all entrances within the four-foot zone around the building. The City will provide snow plowing and removal services if needed to maintain the parking lots and City sidewalks and remove snow accumulations if necessary on City property adjacent to the History Center.
2. The History Center will supervise the maintenance of all vegetation surrounding the building within the four-foot zone, and will work with the City Parks Department to secure safe and attractive landscape features around the buildings, as well as in the adjacent City park property.
3. The History Center staff, office and meeting room renters, occupant organizations, and their designated members may be permitted access to the History Center at any time, consistent with History Center rules and policies and the Management and Lease Agreement between the History Center and the City, with authorized keys and are expected to follow security procedures in accordance with the security system's electronic surveillance equipment and its operation. The History Center will maintain a separate electronic surveillance zone to the Museum office, collections and exhibits with access allowed only to the Museum staff and designees.
4. Parking space surrounding the building may be utilized by staff, clients, attendees and volunteers on a daily basis. For special events that generate large numbers of cars, the Sixth Street corridor may be used, as well as nearby streets. The City lot across Union Street at Sixth Street may be utilized for special events if prior arrangements are made with Traverse City Parking Services.
5. The History Center may utilize the four-foot zone surrounding the buildings, including the space immediately in front of the History Center's two sets of front doors for its purposes. A striped "no parking" drop-off zone space immediately in front of the History Center and the Museum's front doors will be kept clear of parked vehicles to allow clear pedestrian access.
6. Any signage must comply with the Traverse City Code of Ordinances and where applicable may require advance approval by the City.

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO. CPP3018249
POLICY TERM 04/26/2012 to 04/26/2013

AGENT NO. 0210849

NAMED INSURED
HISTORY CENTER OF TRAVERSE
CITY INC
322 6TH ST
TRAVERSE CITY, MI 49684

**RENEWAL
Declaration**

Previous Policy No. 3018249
POLICY NO. ISSUE DATE
CPP3018249 03/21/2012

BILLING ACCOUNT NO.
3018249000

YOUR AGENCY IS:
HUB INTERNATIONAL MIDWEST
600 E. FRONT STREET, SUITE 205
TRAVERSE CITY, MI 49686

FORM OF BUSINESS
Corporation

POLICY TERM
04/26/2012 to 04/26/2013

Attach this document
to your policy

Phone (231)995-4300 Agent No. 0210849-00

INSURER: FRANKENMUTH MUTUAL INSURANCE COMPANY

**Summary of
Coverages
and
Premiums**

Premiums

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment. In return for the payment of the premium, and subject to all the terms of this policy, we agree to provide the insurance as stated in this policy.

COVERAGE PARTS	PREMIUM
Commercial Property Coverage Part	\$681
Commercial General Liability Coverage Part	\$1,142
Commercial Crime Coverage Part	\$102
Premium For Terrorism Coverage	Waived
Business Auto Coverage*	\$198
Total Annual Premium	\$2,121

*Separate policies are provided for these coverages.

BM150 1875 CF 200 11120 CR 200 2040 EP 100 1550
GL 200 19740

Policy Locations

1
322 SIXTH ST
TRAVERSE CITY, MI
GRAND TRAVERSE 49684-2414

**Billing
Information**

Your policy is billed on a semi-annual basis. A statement of account or payment schedule will be mailed to you shortly for the installment premium.

Renewal

Commercial Policy

Page 2 of 3

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO.
CPP3018249

POLICY TERM
04/26/2012 to 04/26/2013

AGENT NO.
G210849

Forms and Endorsements

The following is a list of the forms and endorsements that make up your policy. Refer to these as needed for detailed information concerning your coverage. Some of these forms were provided when you first purchased your insurance. If you have added new coverages or if the form describing a coverage has changed since you purchased or last renewed your policy, a new copy of the form may be found in this package. An asterisk (*) indicates a new or updated version is included in this package (agent's package will not include updated forms, but will include notices to policyholders).

TITLE	FORM NUMBER	EDITION DATE	PREMISES/BUILDING
Policy Level			
Calculation of Premium	IL0003	9-08	ALL
Common Policy Conditions	IL0017	11-98	ALL
Membership Information	05671	7-10	ALL
Witness Clause	08826	7-10	ALL
Property			
Building and Personal Property Coverage	CP0010	6-07	ALL
Commercial Property Conditions	CP0090	7-88	ALL
Equipment Breakdown Coverage	06722	2-09	ALL
Michigan Changes	CP0120	1-08	ALL
Exclusion of Loss Due to Virus or Bacteria	CP0140	7-06	ALL
Causes of Loss - Special Form	CP1030	6-07	ALL
Water Exclusion Endorsement	CP1032	8-08	ALL
Loss Payable Provision	CP1218	6-07	0001/001 *
Effective Time Changes--Replacement of 12 Noon	IL0022	5-87	ALL
Exclusion Of Certain Computer-Related Losses	IL0935	7-02	ALL
Cap on Losses From Certified Acts of Terrorism	IL0952	1-08	ALL *
Disclosure Pursuant to Terrorism Risk Insurance Act	IL0985	1-08	ALL *
Conditional Exclusion of Terrorism	IL0995	1-07	ALL
Amendment of Limited Coverage for Fungus and Bacteria	02536	7-02	ALL
Commercial Protection Plus	96212	12-09	ALL
General Liability			
Commercial General Liability Coverage Form (Occurrence)	CG0001	12-07	ALL
Recording & Dist of Material or Info in Violation of Law Exc	CG0068	5-09	ALL
Michigan Changes	CG0168	10-09	ALL
Additional Insured - Managers or Lessors of Premises	CG2011	1-96	ALL *
Cap on Losses from Certified Acts of Terrorism	CG2170	1-08	ALL *
Conditional Exclusion of Terrorism	CG2187	1-07	ALL
Silica or Silica-Related Dust Exclusion	CG2196	3-05	ALL
Nuclear Energy Liability Exclusion Endorsement	IL0021	9-08	ALL
Effective Time Changes--Replacement of 12 Noon	IL0022	5-87	ALL
Michigan Changes - Cancellation and Nonrenewal	IL0286	9-08	ALL
Disclosure Pursuant to Terrorism Risk Insurance Act	IL0985	1-08	ALL *
Limited Fungi or Bacteria Coverage	02547	7-11	ALL *
Absolute Asbestos Exclusion	93068	7-11	ALL *
Commercial Liability Plus	95187	3-09	ALL
Lead Contamination Exclusion	96210	7-11	ALL *

Renewal

Commercial Policy

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO.
CPP3018249

POLICY TERM
04/26/2012 to 04/26/2013

AGENT NO.
0210849

Forms and
Endorsements

TITLE	FORM NUMBER	EDITION DATE	PREMISES/ BUILDING
<i>Crime</i>			
Employee Dishonesty Coverage Form (Coverage Form A-Blanket)	CR0001	10-90	ALL
Crime General Provisions	CR1000	4-97	ALL
Michigan Changes	CR0110	10-92	ALL
Effective Time Changes--Replacement of 12 Noon	IL0022	5-87	ALL
Michigan Changes - Cancellation and Nonrenewal	IL0266	9-08	ALL
Exclusion Of Certain Computer-Related Losses	IL0935	7-02	ALL
<i>Employment Related Practices</i>			
Employment Related Practices Liability Policy	02564	1-11	ALL *
Calculation of Premium	IL0003	9-08	ALL *
Disclosure Pursuant to Terrorism Risk Insurance Act	IL0885	1-08	ALL *
War or Terrorism Exclusion	02565	1-03	ALL
Cap on Losses from Certified Acts of Terrorism	02575	1-08	ALL *
Conditional Exclusion of Terrorism	05623	1-07	ALL
Membership Information	05671	7-10	ALL *
Michigan Changes	06715	1-11	ALL *
Witness Clause	08826	7-10	ALL *

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO.
CPP3018249

POLICY TERM
04/26/2012 to 04/26/2013

AGENT NO.
0210849

INSURER: FRANKENMUTH MUTUAL INSURANCE COMPANY

Property Coverage

Description of Premises

PREMISES	BUILDING	OCCUPANCY AND DETAILS OF PREMISES	
1	1	HISTORICAL MUSEUM	
		CONSTRUCTION TYPE	PROTECTION CLASS
		NON-COMBUSTIBLE	05

Coverages and Premiums

Insurance at the described premises applies only for the coverages shown below.

PREMISES	BUILDING	DESCRIPTION AND DETAILS OF COVERAGE		PREMIUM
1		Equipment Breakdown	See Form 06722	\$125
		DEDUCTIBLE		
		\$500		
1	1	Business Personal Property		\$556
		LIMIT	DEDUCTIBLE	VALUATION
		\$40,000	\$500	Replacement Cost
		COINSURANCE	COVERED CAUSES OF LOSS	
		90%	Special Form	
Total Property Coverage Premium				\$681

Additional Interests

PREMISES	BUILDING	NAME AND ADDRESS	ADDITIONAL INTEREST TITLE
1	1	CITY OF TRAVERSE CITY 400 BOARDMAN AVE TRAVERSE CITY, MI 49684-2542	LOSS PAYABLE



INSURER: FRANKENMUTH MUTUAL INSURANCE COMPANY

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO.
CPP3M8249

POLICY TERM
04/26/2012 to 04/26/2013

AGENT NO.
0210849

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Loss Payable Provisions

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- BUILDERS' RISK COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY

SCHEDULE

Premises Number:	0001	Building Number:	001	Applicable Clause (Enter C., D., E., or F.):	C
Description Of Property: BUSINESS PERSONAL PROPERTY					
Loss Payee Name:	CITY OF TRAVERSE CITY 400 BOARDMAN AVE TRAVERSE CITY, MI 49684-2542				
Loss Payee Address:					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					



Renewal

Commercial Policy

Page 1 of 2

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO.
CPP3018249

POLICY TERM
04/26/2012 to 04/26/2013

AGENT NO.
0210849

INSURER: FRANKENMUTH MUTUAL INSURANCE COMPANY

**Commercial
General
Liability
Coverage**

Limits of Insurance

COVERAGE	LIMIT
General Aggregate Limit (Other than Products - Completed Operations)	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal and Advertising Injury Limit	\$1,000,000
Medical Expense Limit, any one person	\$5,000
Fire Damage Limit, any one fire	\$500,000
Employment Practices Liability	See EPLI dec

Classification Schedule

PREMISES	DESCRIPTION AND DETAILS OF CLASSIFICATION	PREMIUM
ALL	COMMERCIAL LIABILITY PLUS STATE TERRITORY CLASS CODE DEDUCTIBLE PREMIUM BASIS MI 505 85010 None 1 Flat Charge Premises Operations	\$175
1	MUSEUMS - NOT-FOR-PROFIT ONLY INCLUDING PRODUCTS-COMPLETED OPERATIONS STATE TERRITORY CLASS CODE DEDUCTIBLE PREMIUM BASIS MI 505 46427 None 14,000 Area Premises Operations	\$736
1	BUILDINGS OR PREMISES - BANK OR OFFICE - MERCANTILE OR MANUFACTURING - MAINTAINED BY THE INSURED (LESSOR'S RISK ONLY) - OTHER THAN NOT-FOR-PROFIT INCLUDING PRODUCTS-COMPLETED OPERATIONS STATE TERRITORY CLASS CODE DEDUCTIBLE PREMIUM BASIS MI 505 61217 None 1,000 Area Premises Operations	\$26
1	ADDITIONAL INTERESTS - MANAGERS OR OPERATORS OF PREMISES OR INTERESTS FROM WHOM PREMISES HAVE BEEN RENTED OR LEASED STATE TERRITORY CLASS CODE DEDUCTIBLE PREMIUM BASIS MI Premises Operations	\$50

Renewal

Commercial Policy

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO.
CPP3018249

POLICY TERM
04/26/2012 to 04/26/2013

AGENT NO.
0210849

**Commercial
General
Liability
Coverage**

Premises Operations - Total Premium

\$987

Total Commercial General Liability Coverage Premium

\$987

Additional Coverages

PREMISES	DESCRIPTION OF COVERAGE				PREMIUM
ALL	EMPLOYMENT RELATED PRACTICES LIABILITY				
			PREMIUM BASIS		
			FULL-TIME	PART-TIME	
	STATE	RETENTION	EMPLOYEES	EMPLOYEES	
	MI	\$5,000	5	0	\$155

Additional Interests

PREMISES	BUILDING	NAME AND ADDRESS	ADDITIONAL INTEREST TITLE
1		CITY OF TRAVERSE CITY 400 BOARDMAN AVE TRAVERSE CITY, MI 49684-2542	ADDITIONAL INTEREST



INSURER: FRANKENMUTH MUTUAL INSURANCE COMPANY

NAMED INSURED
HISTORY CENTER OF TRAVERSE

POLICY NO.
CPP3018249

POLICY TERM
04/26/2012 to 04/26/2013

AGENT NO.
0210849

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Insured - Managers or Lessors of Premises

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

1. Designation of Premises (Part Leased to You):
322 SIXTH ST
TRAVERSE CITY, MI
GRAND TRAVERSE 49684-2414

2. Name of Person or Organization (Additional Insured):
CITY OF TRAVERSE CITY
400 BOARDMAN AVE
TRAVERSE CITY, MI 49684-2542

3. Additional Premium: **INCLUDED**

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

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Renewal
NAMED INSURED
 HISTORY CENTER OF TRAVERSE

Commercial Policy

POLICY NO.
 CPP3018249

POLICY TERM
 04/26/2012 to 04/26/2013

Page 1 of 1
AGENT NO.
 0210849

INSURER: FRANKENMUTH MUTUAL INSURANCE COMPANY

Crime Coverage

Description of Premises

Insurance for these premises applies only for the coverages shown under "Coverages and Premiums".

PREMISES	BUILDING	OCCUPANCY
1	1	MUSEUMS

Coverages and Premiums

Rate Plan 1: Combination Crime -- Separate Limits Option

Property Insured: Includes Money and Securities

PREMISES	BUILDING	COVERAGE	LIMIT	DEDUCTIBLE	PREMIUM
		A-Employee Dishonesty-Blanket 6 Ratable Employees	\$100,000	\$250	\$102

Total Crime Coverage Premium

\$102

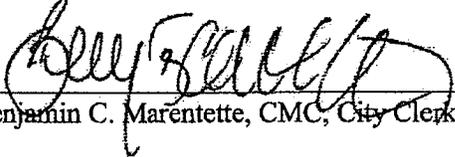


**CON FOSTER MUSEUM
LONG TERM LOAN CONVERSION POLICY**

1. Materials loaned to the Con Foster Museum may be claimed by the original owners or their agents, or the materials may be converted to gifts to the museum provided the requirements of this policy are met.
2. Materials include any artifact(s) or document(s) in the museum's possession which was placed there with the intention that it/they be returned to the owner at a future date.
3. Early documentation of loans was kept on index cards. Prior to 1942, there appears to be no loan receipts. Convincing proof of ownership could be established by an individual's proper identification and an indication of accurate knowledge of the materials being claimed. Questions of rightful heirs and power of attorney would be addressed as indicated below.
4. Between 1942 and 1979, loans and donations were documents in receipt books which were originally intended as loan receipts. There are receipts which have been altered on both the original and the copy so that the word "loaned" is struck out and the word "donated" is written in its place. Materials listed on the altered receipts are considered as permanent donations and will not be returned to the original owners or their agents.
5. Currently, loans are accepted for only a specific exhibit or program and only for a digested amount of time. These materials are recorded on loan forms with a copy provided to the owner. In order to retrieve the loaned materials, the copy must be presented by the owner or the owner's agent.
6. Anyone wishing to claim materials recorded as loans which were left at the Con Foster Museum must provide convincing evidence proving that the materials are those which are in the museum's possession and that the individual(s) claiming ownership are, in fact, the right owners of the property. All returned of long term loans are subject to the review of the Advisory Board.
7. Original owners of loaned materials may claim their loans after having produced the proper receipts or other identification indicating their ownership of specific items and providing that the museum staff can retrieve the materials from the descriptions provided.
8. An heir to the estate owner of loaned materials must establish that he or she is the rightful heir of the property in question. The following will be required:
 - a. A copy of the original owner's death certificate and will, if any, must be presented.
 - b. Proper museum receipts may be required for loaned materials for which receipts were given.
 - c. The personal representatives of the estate must provide a written document releasing the materials to a specify individual, that individual will be given the material.
 - d. If no estate is being probated and a spouse survives, then the materials will be released to the spouse.

- e. If no estate is being probated and there is no spouse, the person claiming ownership must present a written statement to that effect. In addition, written statements from the other heirs allowing the materials to be released to the individual claiming ownership may be required.
 - f. If the original owner is still living and has given a power of attorney to another, this power of attorney must also be validated for the museum's records.
 - g. Other documentation may be required by the museum staff if they deem it appropriate.
9. Original owners, their agents, or heirs who wish to convert loaned materials into permanent donations to the museum must provide convincing evidence of ownership. Upon making such a donation, the established owner must sign the donation agreement provided by the museum in accordance with the museum's adopted collection policy.

I hereby certify that the above policy was adopted by the City Commission of the City of Traverse City at its regular meeting of March 2, 1987, held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.



Benjamin C. Marentette, CMC, City Clerk

The City of Traverse City

Office of the City Manager

GOVERNMENTAL CENTER
400 Boardman Avenue
Traverse City, Michigan
49684



CON FOSTER MUSEUM

City of Traverse City

**POLICY STATEMENT ON COLLECTION ACCESSIONS, DEACCESSIONS AND LOANS
(11/94)**

I. INTRODUCTION

- A. Purpose of Document
- B. Background of Collections

II. POLICY FOR ACQUISITION

- A. Acquisition Evaluation
- B. Accession Records
- C. Method of Acquisitions
- D. Behavior: Museum Employee, Volunteer, Any Individual or Organization Involved in Museum's Management or Operations
- E. Policy Violation

III. POLICY FOR DEACCESSION AND DISPOSITION

- A. Criteria for Deaccession
- B. Method of Deaccession
- C. Restrictions to Deaccession and Disposition
- D. Manner of Disposition
- E. Allocation of Proceeds

IV. GENERAL POLICY ON THE USE OF THE COLLECTIONS

- A. Availability of Collections
- B. Appraisals, Identification and Authentication

V. GENERAL POLICY FOR LOANS

- A. Policy for Loans to the Museum
- B. Policy for Loans from the Museum Collection

VI. INSURANCE

VII. IMPLEMENTATION

I. INTRODUCTION

A. Purpose of Document

This document establishes policies and guidelines for accessions to the collections of the City of Traverse City's Con Foster Museum, and delineates the circumstances by which objects shall be deaccessioned from the Museum's collections. It also establishes policies regarding loans to and from the Museum Collections. The term "accession" includes gifts, purchases, exchanges and other transactions by which title to incoming material is transferred to the Con Foster Museum. The term "deaccession" includes gifts, sales, exchanges and any other transaction by which outgoing material is transferred from the Museum to another institution or individual, as well as disposal by intentional destruction. Temporary physical transfers of material to or from the Museum which do not involve a change in ownership are termed "loans."

Elements to be considered in this policy statement are:

1. To develop basic priorities for adding new material to the collections.
2. To affirm that the Con Foster Museum shall be in full compliance with the laws and regulations, both domestic and foreign, governing the transfer of ownership and movement of objects across political boundaries.
3. To affirm that the highest ethical standards continue to be met by the Museum and its employees and any individuals or organizations involved in its management and/or operations and their employees.
4. To assure that the documentation for the collections shall equal or exceed prevailing museum standards.
5. To define the conditions of acceptance that may be placed upon objects to be accessioned by the Museum.
6. To define the conditions and procedures for permanent removal of objects from the Museum's collections.
7. To define the conditions governing loans to and from the Museum.

B. Background of Collections

MISSION STATEMENT:

The Con Foster Museum, of the City of Traverse City, is a non-profit, public institution whose purpose is to collect, preserve, and present the cultural history of the Grand Traverse region. (Adopted by the City Commission 4/16/84) The Museum will develop its collections through purchase, gift, bequest or exchange for the purpose of meeting the objectives outlined in its mission statement.

The Museum cooperates with other museums, educational and public institutions to further the objective of its mission and to assist these institutions in meeting our mutual objectives. To this end, the Museum makes loans to, or exchanges with, responsible museums, educational and public institutions.

The Museum has three types of collections (approved by City Commission 4/16/84):

1. Permanent Exhibit Collections:

These items relate directly to the Museum's purposes. Used primarily for exhibition, they are original and generally priceless.

2. Study Collections:

These usually are duplicate or worn items that have a definite teaching quality. These items are used for exhibition, study or sometimes loaned to other museums and institutions.

3. Expendable Collections:

These items usually are donated by individuals or institutions which no longer need them. The Museum normally will not classify them as type 1 or 2, but will use them to acquire artifacts or other pertinent materials to fill out its permanent or study collection.

II. POLICY FOR ACQUISITION

A. Acquisition Evaluation

1. All potential acquisitions must be evaluated first in accordance with the mission of the Museum, and then in terms of:

- a. documentation as to origin, previous ownership and use.

b. needs in the collection in terms of condition and duplication.

c. possible resolution of legal or ethical standards regarding possession and use.

d. storage availability.

2. All acquisitions to the collection will be considered permanent as long as they retain their physical integrity, their identity, and their authenticity, and as long as they remain useful within the objectives and purposes of the Museum, and as long as the Museum retains the ability to store them properly.

3. The Museum shall not acquire, either by purchase or gift, bequest or exchange, any object unless the City Manager is reasonably satisfied that:

a. the object has not been stolen.

b. the object, if exported from a foreign country, was done so legally.

c. the circumstances of the recovery of the object did not involve any unscientific or intentional destruction of a site or monument either in the United States or elsewhere.

B. Accession Records

Adequate accession records evidencing the place and circumstances of the origin of each object in the Museum collections shall be obtained and maintained on Museum computer with a back-up disk provided to the City Treasurer.

C. Method of Acquisition

1. Acquisition through purchase, gift, bequest, or exchange shall be made whenever possible so that title to all objects acquired for the collection shall be obtained free and clear, without restriction as to use or future disposition.

2. Objects with restrictions may be accepted only with the approval of the City Manager and City Commission.

3. For an object acquired as an unconditional gift, a Con Foster Museum Donation Agreement shall be signed by the donor and the City Manager. In the case of an object acquired as a conditional gift, a Con Foster Museum Donation Agreement shall be signed by the donor and by

the City Manager, Mayor, and City Clerk, upon the approval and authorization of the City Commission.

4. All gifts to the Museum, unconditional or conditional, must be reported to the City Commission.

5. The Museum cannot provide appraisals for purposes of tax deduction or other external purposes. The Museum may, however, do its utmost to suggest reputable appraisers to assist the donors in obtaining appraisals for tax deduction purposes. The Museum cannot pay for appraisals done by others for the donor.

6. For an object acquired through purchase, a purchase order shall be prepared in accordance with current City of Traverse City policy regarding purchase of property.

D. Behavior: Employee, Volunteer, Any Individual or Organization Involved in the Museum's Management and/or Operations

1. All of the above shall act responsibly, ethically and legally in acquiring, accepting or disposing of any collection object.

2. All of the above will not be discouraged from maintaining collections in their areas of responsibility within the Museum. However, they should provide the City Manager with a statement of their personal collections and submit records of private transactions. In instances where a privately acquired object is integral to the Museum's collection, the purchasing individual or organization shall offer the object to the Museum for their purchase price, to prevent personal profit. Collections acquired prior to employment or involvement with the Museum are not subject to this rule.

3. All of the above shall not use their Museum affiliation for personal profit or engage in any activity that may compromise the integrity of the Museum or undermine the public confidence.

4. All of the above shall comply with City Charter, Ordinance and Executive Orders regarding conflict of interest and private use of public property.

E. Policy Violation

In difficult cases regarding the acceptance of objects by gift, bequest, exchange, purchase or loan, the final decision will be made by the City Manager and City Commission.

III. POLICY FOR DEACCESSION AND DISPOSITION

A. Criteria for Deaccession

Objects in the collection shall be retained permanently in the Museum as long as they continue to serve the objectives and purposes of the Museum and if the objects can be properly and adequately stored, maintained, preserved and used. Deaccessioning of objects may, in some cases, be considered when these factors can no longer be met, or in the interest of improving the collections and scope of the Con Foster Museum.

B. Method for Deaccession

Objects in the collections shall be deaccessioned only upon the recommendation of the City Manager. Final approval must be granted by the City Commission.

C. Restrictions to Deaccession and Disposition

1. The Museum must have clear title to any object in the collection before it can be disposed of.
2. If the object under consideration is subject to conditions or restrictions on its use or disposition, the Museum will adhere to same, unless otherwise ordered by a court of competent jurisdiction.
3. When necessary, the Museum shall seek legal counsel regarding restrictions.
4. As a matter of courtesy, the Museum will attempt to inform the previous owners of the intended deaccession of donated objects, and this process will be in accordance with Section 11(3) of State Of Michigan PA 24 of 1992.
5. All information regarding the deaccessioned objects will be available to the general public upon request.

D. Manner of Disposition

1. Permanent removal and disposition of deaccessioned objects will be done in an ethical and legal manner.
2. The method of disposition chosen shall represent the best interests of the Museum, the public it serves, the public trust it represents in maintaining and preserving the collections, and the scholarly and cultural community it represents.

3. Primary consideration shall be given to placing deaccessioned objects, either by gift, exchange or sale, in other tax-exempt institutions wherein they might serve a valid purpose in research, exhibition, education or public service. If objects are offered for sale elsewhere, primary consideration will be given to sale at advertised public auction or the public marketplace in a manner that will best protect the objectives, purpose, activities and legal status of the Museum.

4. Objects will not be given or sold, directly or indirectly, to individuals or organizations employed by or involved with the management and/or operations of the Museum or the City of Traverse City. In the event of a public sale, such individuals shall be eligible, as any other private individuals, to bid on offered objects.

5. In the case of exchanges, when the fair market value is estimated to be over \$1000.00 for an individual object or when the aggregate value of the collection is estimated to be more than \$1000.00, an independent professional appraisal may be required by the City Commission to verify the equality of the exchange.

E. Allocation of Proceeds

All proceeds realized from the deaccession of objects shall be placed in the City's General Fund and designated as Museum Collections Fund, and shall be allocated to support collections acquisition and conservation. No funds realized from the sale of objects shall be used to support the general Museum or City operations.

IV. GENERAL POLICY ON USE OF THE COLLECTIONS

A. Availability of the Collections

1. Due to storage constraints, the collections of the Museum shall be available for examination and study only when on public exhibit, except by special arrangement.

2. All standard Museum security procedures will apply to individuals studying or otherwise using the collections.

3. The City Manager will make the final determination upon the credentials of those seeking access to the collections.

B. Appraisals, Identification and Authentication

No member of the Museum staff or any individual or organization involved in the Museum's management and/or operations shall give appraisals for the purpose of establishing the tax deductible value of gifts offered to the Museum, nor shall they appraise, identify or otherwise authenticate objects for other persons or agencies under circumstances that would encourage or benefit illegal, unethical or irresponsible traffic in such objects. Identification and authentication may be given for professional or educational purposes and in compliance with the legitimate requests of professional or governmental bodies or their agents.

V. GENERAL POLICY FOR LOANS

A. Policy for Loans to the Museum

1. The same criteria for the permanent acquisition of objects shall apply to the acceptance of loan objects. Loans shall not be accepted by the Museum except for the purposes of a special exhibit, educational or research purposes.
2. Items in the Museum for consideration as potential acquisitions will be considered as loan objects.
3. Receipt of loans shall conform to Section 11(3), PA 24 of 1992.
4. An Agreement Form for Incoming Loans to Con Foster Museum shall be completed and executed prior to receipt of all loans.

B. Policy for Loans from the Museum Collections

1. To further the general objectives of research, exhibition, education and public service, the Museum makes loans to responsible museums and other educational and public institutions.
2. Loaning of objects from the Museum's collections for decorative purposes will not be permitted.
3. The Museum shall not loan any object the condition of which is too unstable to withstand normal shipping or display procedures.

4. Loans shall not be made from the Museum's collections to further commercial purposes without City Commission approval.

5. An Agreement for Outgoing Loans from Con Foster Museum shall be completed and executed prior to loans leaving the Museum.

VI. INSURANCE

A. Insurance shall be carried on the permanent collections at their established current market value.

B. Objects in the Museum on loan shall be insured at their current market value by the City unless otherwise specified per Loan Agreement.

C. In instances of loans to other institutions or agencies from the Museum, the borrowing organization must provide insurance on each object for the time that object is outside the Museum according to the terms of the Loan Agreement.

VII. IMPLEMENTATION

This policy statement shall be effective upon approval of the City Commission and shall apply to all collection objects listed on the Con Foster Museum Accessioning Inventory.

Approved by the City Commission (date): 11-21-94



The History Center of Traverse City

June 12, 2014

Jered Ottenwess, City Manager
City of Traverse City
400 Boardman Ave.
Traverse City, MI 49684

Mr. Ottenwess:

Please find enclosed a proposal for management of the City's Con Foster Collection of Historical Artifacts and Carnegie Library Building.

Note that it has become clear to all that this organization is unable to continue to sustain these two City properties under the current agreement while meeting its own minimal operational requirements. The enclosed proposal is forwarded as a means of maintaining and safeguarding these valuable resources for the people of Traverse City.

We would be pleased to discuss this matter at your convenience and look forward to hearing from you.

Sincerely,

Stephen Morris
Treasurer

Enclosure: History Center Management Proposal

CC: Mayor and City Commission
Board of Directors, History Center of Traverse City

322 Sixth Street • Traverse City, MI 49684
(231) 995-0313
www.traversehistory.org



History Center of Traverse City

Management Proposal 2014 - 2017

Introduction

In 1999 the Friends of the Con Foster Museum worked with City government and several community groups to provide a facility that would accommodate various community needs relating to the mission of the City Commission:

The Mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services and planning based on extensive participation by its citizens, coupled with the expertise of the City's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.

The result was a \$1.4 million renovation of the 1904 Carnegie Library building at 322 Sixth Street. Since then, the City's landmark building has housed the City-owned Con Foster Collection, managed by the Heritage Center and its successor, the History Center of Traverse City, under lease from the City (*see Attachment 1*). History Center records indicate that the organization has subsequently invested an additional \$462,000 in the restoration and upkeep of the building during its occupancy.

For several years City government participated in the cost of building operation as well as management of the City's Collection, but 2012 brought an end to that direct support and a request that the Downtown Development Authority provide needed funds. However, all such funding ended with the close of 2013 and none is forthcoming in 2014.

The History Center of Traverse City is a non-profit organization operating under Section 501(c)(3) of the IRS Code and currently managing all aspects of building operation as well as care and maintenance of the Con Foster Collection. A qualified and experienced staff provides educational programs for local schools, mounts displays for public viewing, maintains a large archival collection, and provides a full menu of services to the community at an annual expense of

The History Center of Traverse City

\$157,000. The City's building and collection provide an additional burden to the organization of approximately \$124,800.

Conclusion – Under existing agreements the History Center of Traverse City is expected to subsidize City government by assuming the burden of operation and maintenance (including utilities) of the Carnegie Library building and the custodianship of the Con Foster Collection. Though these City properties are of obvious and significant value to the community, they are not central to the mission of the History Center and the organization has no interest in ownership or long-term lease of the building or the collection. The organization's resource projections for the remainder of 2014 and 2015 are not adequate to sustain the above burden (*see attachment 2*), and the potential for raising funds from the community to support what is assumed to be a function and responsibility of government has proven illusory.

While individual members of the organization's Board of Directors have donated several thousands of dollars in personal funds during 2013 and 2014, in an attempt to compensate for missing government support, they cannot be expected to go further in subsidizing the operation and safeguard of these City properties.

It is concluded, therefore, that there appear to be two options for sustaining the City's Carnegie Building and Con Foster Collection:

City of Traverse City Operation – The City may choose to fund, staff and manage the building and the collection as well as all associated activities. It must be assumed that the cost of recruitment and employment of qualified collection management staff, as well as building management personnel, would be far greater than History Center staffing due to current operational requirements of City government.

History Center Operation – The History Center proposes to continue the professional management of the Con Foster Collection, the large collection of community archival materials, and the Carnegie Library Building at a cost of \$124,800 per year for a period of three years.

Management Proposal

It is hereby proposed that the City of Traverse City contract the services of the History Center of Traverse City, a non-profit Michigan corporation, for a period of three years for the purpose of management of the Carnegie Library Building and the Con Foster Collection commencing on July 1, 2014. Compensation for such management services shall be made in payments of \$31,200 at the beginning of each three month period for the term of such contract.

The History Center of Traverse City shall perform services under this contract as are performed under current agreements (*see attachment 3*), to include the following:

- Maintain the Carnegie Library building in its present condition and provide or propose update of the HVAC and lighting systems in order to achieve improved energy efficiency.
- Make such changes to the building needed to enhance security, visitor and user safety and convenience and maintain suitability for mission related activities; such changes to be dependent upon prior approval of the City Manager or his agent.
- Provide professional curatorial management for the Con Foster Collection on behalf of its owner. The de-accession of any part of the collection, at the direction of the City Manager, will be managed by separate agreement and at a cost to be determined.
- Manage short-term rental and long-term occupancy of the building by community organizations compatible with appropriate use of the building and the mission of the History Center.

The History Center of Traverse City will continue to maintain community archives, offer educational programming, design and mount the display of historical materials and other activities related to the mission of preservation, promotion and presentation of the history of Traverse City and the Grand Traverse Region.

Attachment 1

A Brief History of the Con Foster Collection

- 1934** Conrad Foster creates a collection of historical artifacts to be presented in a museum founded in his name and gifted to the City.
- 1935** The Con Foster Museum building is constructed by the Works Progress Administration (WPA).
- 1935-1984** The Con Foster Museum operated by City government employees not trained in museum management. Numerous items of value were lost during this period.
- 1984** Friends of the Con Foster Museum organization is incorporated.
- 1986** Friends of the Con Foster Museum granted tax exempt status under Section 501(c)(3).
- 1993** The Con Foster Museum is closed following allegations of financial miss-management.
- 1994** Friends of the Con Foster Museum contracted to manage the museum.
- 1999** The City requests that the museum be relocated to the former Carnegie Library building.
- 2000** Friends of the Con Foster Museum contracted to manage the museum in the Carnegie Library building.
- 2000** Friends of the Con Foster Museum raise \$1,400,000 for renovation and restoration of the building.
- 2003** Friends of the Con Foster Museum reorganized as the Grand Traverse Heritage Center (GTHC).
- 2003** Museum re-opened in the Carnegie building as the Grand Traverse Heritage Center.
- 2003** New management agreement between the City and GTHC with City funding support.
- 2007** New management agreement between the City and GTHC with City funding support.
- 2010** New management agreement between the City and GTHC with City funding support.
- 2010** The Traverse Area Historical Society and the Grand Traverse Heritage Center merge as the History Center of Traverse City.
- 2013** The current management agreement entered with a termination of City financial support in 2014.

The History Center of Traverse City

Learning from History – The Con Foster Collection of historic artifacts has been variously managed by its originator, the City of Traverse City, and the History Center of Traverse City and its predecessor non-profit organizations. It is widely acknowledged that neither the collection nor the community were well served during those periods of management by local government.

Attachment 2

**Estimated Per-Annum Expense of the Carnegie Building
and the Con Foster Collection (2014 – 2017)**

Building Expense	
Update HVAC (annualized 2015-2017)	\$ 12,000
Update Lighting	10,000
Elevator upgrade, maintenance & Inspections	4,000
Safety & Security System	2,000
Exterior Repair & Maintenance	4,000
Maintenance set-aside (annual)	14,000
Cleaning & Janitorial	4,000
Landscaping & Irrigation	3,000
Insurance	3,800
Staff	
Building Management	6,000
Utilities	
Gas & Electric	30,600
Telephone	3,400
Con Foster Collection	
Inventory, Accession & Display	26,000
Off-site Storage	2,000
Total:	\$ 124,800

Attachment 3

The History Center of Traverse City

- Successor to the Grand Traverse Heritage Center and the Traverse Area Historical Society.
- A non-profit Michigan corporation governed by a volunteer Board of Directors (*see attachment 4*)
- Mission:
 - The History Center of Traverse City is dedicated to the preservation, protection and presentation of the historical record of Traverse City and the Grand Traverse Region.
- Vision:
 - The History Center of Traverse City will be the principal resource for the study, understanding and appreciation of the history of the Grand Traverse Region and its people.
- Affiliations and Support:
 - The History Center of Traverse City is supported in its mission by several regional, State and National affiliations, with direct support provided by the Michigan Council for Arts and Cultural Affairs, the National Endowment for the Arts, The Michigan Humanities Council, Rotary Charities, and the Grand Traverse Band of Ottawa and Chippewa Indians.
 - An endowment fund held in the name of the History Center is under management of the Grand Traverse Regional Community Foundation.
 - The History Center currently manages rental space provided to the American Association of University Women, the Women's History Project of Northwest Michigan, the Railroad Historical Society of Northwest Michigan, and the Grand Traverse Area Rock and Mineral Club.
- Staff:
 - The current staffing of the History Center includes one full time and two part time employees, interns and volunteers.
 - The current Executive Director is an experienced degreed professional museum manager.
 - The current Archivist is an experienced degreed professional well qualified in archival management and preservation.
- Assets:
 - The History Center holds the largest collection of historical records (newspapers, documents, photos, maps, and maps) existing in the community.

The History Center of Traverse City

- An active and involved volunteer leadership who commit thousands of dollars in personal funds each year in an effort to ensure success.
- More than 300 individuals, families and agencies hold History Center memberships.
- An extensive list of current and past donors is maintained for the purpose of raising funds for the organizations operation.
- The History Center maintains a comprehensive website for the purpose of marketing activities and exhibits.
- Activities and Community Outreach:
 - Ever-changing exhibits featuring items of the Con Foster Collection and other items of interest to the community.
 - A trusted archival activity regularly receives donated materials from throughout the Grand Traverse Region and beyond.
 - Educational programs are regularly scheduled in local schools as well as are visitations by classes of students.
 - The History Center is publisher of several recognized titles carrying the stories of the Grand Traverse Region and its people.
 - Several community events are hosted by the History Center each year.
 - The History Center provides traveling displays of historical materials to various locations in the community.
 - The History Center is host to several events each year, including the Festival of Trains, the Building Blocks Children's Fair, Halloween Open-House, and others.
 - The History Center regularly provides the venue for art exhibits, book sales, community meetings and other events.
 - The History Center sponsored "Magical History Tour" presents the story of Traverse City's past to visitors and citizens alike each summer through a guided ninety-minute bus tour.
- Current Operating Cost (excluding the Carnegie Building): \$157,000 per year.

The Carnegie Library Building

- The building was donated to the community for use as a community library by Andrew Carnegie and constructed on land donated to the community by Perry Hannah.
- The original construction was completed in 1904, and the Eastern addition completed in 1964.
- The building was vacant during much of 1998 and 1999.
- The building was renovated between 1999 and 2005 at a cost of \$1.4 million raised through grants and public donation.

The History Center of Traverse City

- Owned by the City of Traverse City, it is occupied under lease by the History Center until December 31, 2014.
- The History Center provided additional funding in excess of \$400,000 during that occupancy.
- The building contains large open space for exhibit or meetings, handicap access, offices, secure climate controlled vaults, conference rooms, and a kitchen.
- The building is located adjacent to a City park in the historic heart of the community.
- Off-street parking for 20 cars is maintained by the City of Traverse City.
- Current Condition:
 - Recommended upgrades to HVAC and lighting are estimated to cost \$30,000, including a new boiler, one new AC compressor, three humidifiers and one control computer.
 - Exterior concrete repair, building cleaning and external and internal painting is needed.

The Con Foster Collection

- The Con Foster Collection of Historic Artifacts is owned by the City of Traverse City.
- The collection is comprised of approximately 10,000 collected and donated pieces.
- The majority of the collection is stored in the Carnegie Library Building, though off-site storage is needed to accommodate the entire collection.
- Operating Cost: \$28,000 per year.

Attachment 4

The Board of Directors

Steve Harold, *Chairman*
1190 Harvest East
Traverse City, MI 49695

Bruce Wiegand, *Vice Chairman*
9122 Peninsula Dr
Traverse City, MI 49686

Stephen Siciliano, PhD *Secretary*
627 Eastwood Ave
Traverse City, MI 49686

Stephen Morris, *Treasurer*
517 Sixth St
Traverse City, MI 49684

John DiGiacomo
440 N Spruce St
Traverse City, MI 49684

Peg Jonkhoff
101 W 19th St
Traverse City, MI 49684

Dennis Kent
8072 S West Bayshore Dr
Traverse City, MI 49684

Jordan Lindberg, PhD
807 Airport Access Rd
Traverse City, MI 49686

Megan Raphael
812 E State St
Traverse City, MI 49686

Hal Van Sumeren
6497 Deepwater Point
Williamsburg, MI 49690

James Warner
236 E 9th St
Traverse City, MI 49684

Some Talking Points

July 14, 2014

There are several reasons why it is a good idea for the City of Traverse City, as owner of the Carnegie Building on Sixth Street to consider a discussion with Artcenter Traverse City about using a portion or all of that building for use as a community-based art center.

- **Revive the Legacy** - The facility, a wonderful legacy asset for Traverse City, currently under-serves the region and should be brought to life with the year-round excitement and activity of a truly engaged community cultural asset.
- **Substantial Programming** - As a community-based art center, we would see a broader range of programming, including classes, art shows, exhibits, lectures, demonstrations, and other art related activities across a wider spectrum of constituents. Visitors would be using the facility in greater numbers, year-round.
- **New Strength** - With the proposed merger between Artcenter Traverse City and Crooked Tree Arts Council, we bring the strength, assets, staff, best practices, contacts, and presence needed to be responsible stewards of the building. The new alliance would be in a better position to attract local, state, and national funding.
- **Funding Enthusiasm** – The idea of using this facility in this way has already drawn the enthusiasm of The National Cherry Festival Foundation and four other funding sources, including Rotary Charities, Oleson Foundation, Frey Foundation, and a group of local philanthropists.
- **Economic Benefit** - Along with enhancing the cultural landscape for residents and visitors, the asset would be put to use in serving the hundreds of professional artists living and working in this region. There is a demonstrable economic development aspect to using the building more actively.
- **Visual Arts** - Traverse City enjoys a wide array of excellent cultural assets: TSO, TC Film Festival, Dennon Museum, City Opera House, Old Town Playhouse, etc. Using the Carnegie Building as a community-based, non-profit arts center would allow the visual arts to take their place among these other incredible local initiatives.
- **Regional Importance** - This proposed use as an arts center is a significant advance in the promotion of northwest Michigan as an arts destination.
- **Community Wide Celebration** - We will create a center where artists will collaborate in the development and sale of their work. Use of the facility will lead to a community wide celebration of the arts in TC, including a focus on public art in the community.
- **Benefit to All Arts** – We will actively cooperate with other non-profit arts organizations in the area to promote NW Michigan as a nationally recognized arts destination.

Some Lease Terms and Conditions

- Artcenter Traverse City (ACTC) is interested in using the Carnegie Building on Sixth Street as a community-based arts center, concentrating primarily on visual arts, yet providing limited opportunities in other arts areas. Programming would consist of shows, exhibits, arts competitions, invitational shows, lectures, workshops, classes, and other related activities to celebrate and promote art in Traverse City.
- ACTC is interested in a five-year initial term of occupancy with options to own or renew the arrangement for a long-term period. During this lease, ACTC would control and maintain the building and occupy approximately 80% of the building. The History Center could occupy the remainder to house and catalogue the City's historical collection.
- This lease is by ACTC only, and does not include nor imply any partnership or association with History Center of Traverse City, other than as a tenant during the historical collection's transition period.
- Prior to finalizing a lease, ACTC would work with The City to conduct a thorough engineering study of the building to determine the condition of the building and the costs and responsibility of deferred and on-going maintenance.
- ACTC will facilitate the management, security, and maintenance of the City's historical artifacts during a transition period to be agreed upon as part of ongoing discussions.
- ACTC would accommodate and facilitate (but neither fund nor manage) the development of a process to evaluate the City's historical collection with and by a team of professional historians to establish a course of action for the collection. During the first three years of the lease, ACTC would keep the collection where it is, with an office for an archivist/curator. At the end of three years, ACTC would re-visit the decision to maintain the collection in that facility. ACTC would expect some consideration from the City for this.
- With the City's permission, ACTC would be able to remodel the interior of the building to accommodate our programming, as well as way-finding signage, signage, and brand identification.
- Prior to finalization of a lease, ACTC would agree with the City on other uses of the facility for public meetings.
- In the event that ACTC affiliates with another arts-related organization, the lease would transfer to the derivative organization.

Community Support: Community Advisory Board

In light of the conversations between the two organizations, Artcenter leadership has organized a Community Advisory Board, made up of high level opinion leaders and community activists in Traverse City, who have volunteered to serve as an advisory group during the transition period for the proposed merger between Artcenter Traverse City and Crooked Tree Arts Center. Following is a list of the members of that board, all of whom have expressed great enthusiasm for the collaboration.

- | | |
|------------------------|---|
| Ross Biederman | Owner and General Manager of Midwestern Broadcasting. Biederman also serves on Traverse City's Downtown Development Authority, the Munson Healthcare Regional Foundation and the joint Traverse City-Garfield Township Recreational Authority board |
| Kerm Campbell | Co-owner Blackstar Farms, is the former Chairman, President and Chief Executive Officer of Herman Miller, Inc. and Board Trustee, Traverse Symphony Orchestra |
| K. Ross Childs | Retired County Executive Grand Traverse County, Member of the Board of Trustees, NMC |
| Connie Denewith | CEO, Traverse City State Bank, Developer & Owner at Copper Ridge, LLC |
| Mark Eckhoff | Senior Associate at Three West Commercial Real Estate, Retired Community President, 5/3 Bank in Traverse City |
| Kathleen Glynn | Film producer |
| Susie Janis | Community Activist & Volunteer - led the membership and development program at NMC's Dennon Museum for three years and served on NMC's foundation board for six years. Janis also won the 1997 Michigan Volunteer of the Year award. |
| Randy Kiessel | VP & Personal Wealth Advisor, Robert W. Baird – helped design and negotiate the structure for the TBAYS Soccer Complex |
| Leslie Lee | Community activist and philanthropist who recently established the Pine Hollow Institute in Elk Rapids |

referenced below.

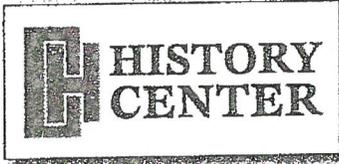
3. Compensation and Method of Payment. During the term of this Agreement, the History Center shall retain the proceeds of usage fees and admissions, donations, and store sales to pay the expenses of the Center's building operation and maintenance. The City shall pay to the History Center the interest earnings accrued by the McCauley Trust Fund every six (6) months. The McCauley Trust Fund is a fund maintained by the City of Traverse City for the benefit of cultural and recreational activities and parks.

Unless otherwise stated, this compensation supersedes and replaces the City's compensation obligations under all previous agreements between the parties.

4. Term. The services to be rendered under this Agreement shall commence on January 1, 2013, and continue for a term of two (2) years, until December 31, 2014. No later than January 31 of each year, the City shall receive an annual report of financial and program activity from the History Center. Monthly board meeting minutes as well as any special meeting minutes shall be given to the City. The City shall then evaluate the operations under this Agreement and make recommendations accordingly. The City Manager shall be notified of all History Center Board meetings and is encouraged to participate in person or by a representative of all such meetings, but shall not have voting privileges.

5. Inventory, Collections and Equipment.

- a. In the operation, management, and maintenance of the Building, the History Center shall have available for use the following inventory, collection and equipment included as part of the History Center operation:
 - i. The historical artifacts collection of the City's former Con Foster Museum (the "Museum"), which collection is listed on a computer disk entitled "Accession List" (the "Collection").
 - ii. The inventory and equipment of the Museum, which inventory is listed on Attachment "D" (the Inventory), and which equipment is listed on Attachment "D" (the Equipment), are attached hereto and incorporated herein by reference.
- b. The Collection, Inventory and Equipment of the Museum is, and shall at all times during the term of this Agreement, remain the property of the City of Traverse City. The two dimensional collection, currently the property of the History Center, will remain the property of the History Center and administration of it shall be subject to the terms of the merger agreement with the former Historical Society.
- c. Donations to the Museum or the City shall be reviewed and approved by the History Center appointed Collections Committee in accordance with the City's



BOARD OF DIRECTORS

Steve Harold, Chairman
Bruce Wiegand, Vice Chairman
Stephen Siciliano, Secretary
Steve Morris, Treasurer
John Di Giacomo
Peg Jonkhoff
Dennis Kent
Jordan Lindberg, Ph.D
Jim Warner

STAFF

Maddie Buteyn,
Exhibits & Events Coordinator
Peg Siciliano, Archivist
Laura Wilson,
Events & Social Media Assistant

322 Sixth Street

Traverse City, Michigan

49684

231.995.0313

fax 231.946.6750

www.traversehistory.org

**A NON-PROFIT
ORGANIZATION DEDICATED
TO THE PRESERVATION,
PROMOTION AND
PRESENTATION OF THE
HISTORY OF THE CITY
OF TRAVERSE CITY AND
SURROUNDING AREA.**

January 31, 2014

The Mayor and City Commission
City of Traverse City
400 Boardman Ave
Traverse City, MI 49684

Ladies and Gentlemen:

Please find below the Annual Report of the History Center of Traverse City submitted in accord with requirement of the lease agreement under which this organization occupies the former Carnegie Library Building at this address.

Please note that additional information regarding the operation and management of the above building or of the Con Foster Collection may be obtained by contacting the undersigned.

Sincerely,

Steve Harold
Chairman of the Board of Directors

attached: 2013 Annual Report of the History Center of Traverse City

cc: B. Wiegand
S. Siciliano
S. Morris
J. DiGiacomo
P. Jonkhoff
D. Kent
J. Lindberg
J. Warner

CITY MANAGER'S OFFICE

JAN 31 2014

RECEIVED

The History Center of Traverse City

Annual Reports 2013

The History Center of Traverse City is a private non-profit corporation occupying the former Carnegie Library Building, 322 Sixth Street and is responsible for care and maintenance of that facility, as well as management of the Con Foster Collection of local historical artifacts and an extensive collection of documents and photographs related to the history of Traverse City and Northwest Michigan.

Governance

The Center is governed by a Board of Directors comprised of Traverse City residents.

Steve Harold, *Chairman*
Bruce Wiegand, *Vice Chairman*
Stephen Siciliano, *Secretary*
Stephen Morris, *Treasurer*
John DiGiacomo
Peg Jonkhoff
Dennis Kent
Jordan Lindberg
James Warner

Operating Staff

William Kennis joined the Center staff in 2011 and served as its Executive Director through December of 2013. Bill is a graduate of Central Michigan University and earned a Master of Business Administration at Michigan State University in 2001.

Madeline (Maddie) Buteyn serves as the Center's Museum Curator and Coordinator of Exhibits and Events. She earned her degree in Museum Studies and History at Beloit College and served museums in Wisconsin, Utah and Ireland prior to joining the staff.

Peg Siciliano is the History Center Archivist, overseeing the large collection of historical documents and photographs that were transferred to the Center by the former Grand Traverse Historical Society in 2010.

Laura Wilson is the Assistant Event Manager and coordinator of Social Media Outreach at the Center.

Operations

The History Center is open to area visitors and residents for four days of each week during the months of January through April of each year, and seven days per week from May through December, serving the people of Traverse

City for a total of 315 days during 2013. In that time more than twenty two thousand people entered the museum to view various special and standing exhibits or to participate in one of several special events hosted in the building, including the more than seven hundred children that took part in the Heritage Days celebration.

Special events held during the year continued to provide education and entertainment for the community: the annual Festival of Trains, the summer-long Lego Carnival, and the popular Legends exhibit, highlighting the roles played by individual Traverse Citizens, remained popular attractions.

While much of the year's revenue plan proved to be successful, others components failed to meet projections. The attached statement of profit and loss for 2013 shows the detail of those failures, while offering a clear guide to preventing future such occurrences. A significant re-structuring of management, staffing and programing is planned for 2014.

That future also includes new and exciting exhibits and closer relationships with those area organizations that share the Center's commitment to the quality of life in Northwest Michigan. The potential for effective partnerships is being aggressively explored by the Center's Board of Directors and several opportunities are under study for implementation in 2014.

The Center enjoys existing partnerships with several local organizations, providing office space and support to the Women's History Project of Northwest Michigan, the American Association of University Women, the Grand Traverse Area Rock and Mineral Club, and the Railroad Historical Society of Northwest Michigan. All are provided office and meeting space at nominal cost. Both the Rock and Mineral Club and AAUW hold a major weekend event each year drawing hundreds of visitors.

A large number of other organizations and individuals continue to make use of meeting space provided by the History Center throughout the year, making full use of the Center's kitchen and other amenities. Some maintain a regular schedule of meetings at the Center, while others are more casual users of the space.

Capital Improvements and Needs

The use and care of the Carnegie Library Building, now in its 110th year, continues to provide challenges for both the History Center and the City of Traverse City. A long standing problem of storm water management was solved in 2013 with the renovation or replacement of rain gutters and drainage systems. Interior water damage, a direct result of this problem, was repaired, as the threat of continued deterioration was eliminated.

The City of Traverse City made significant improvement to the driveway and parking area, eliminating broken pavement and the dangers to visitors that such represents.

Several challenges remain for the old building, including needed renovation of the heating and cooling system, improved entry lighting and a thorough review and renovation of energy management systems.

Revenues

Revenue generation continued to be the principal challenge to face Center leaders in 2013. Some opportunities provided encouraging promise, while others only disappointment.

Grants in Aid provided by State-wide and regional allies were among the encouraging notes in the past year. Significant funds were provided by the Michigan Council for the Humanities, the Michigan Council for Arts and Cultural Affairs, and Rotary Charities and commitments are already in hand for the coming year.

Membership growth provided a significant indicator of public interest and confidence, as the Center's commitment to educational, entertaining and family-friendly program activity began to pay off in 2013. The level of unrestricted donations received showed an increase, while restricted donation, to underwrite specific programs and activities, also showed growth.

Museum revenues, both those related to exhibit of the Con Foster Collection and those generated from program attendance, remained steady in 2013. The Building Blocks of Traverse City program, part of the Lego Carnival, brought somewhat less revenue than in past years due to a reduced schedule, though the annual Festival of Trains continued to provide a stable revenue source. Plans for continuation of both in 2014 are under study.

The "Magical History Tour", a guided bus tour of historical sites within the City, continued to be popular with visitors and residents. A revamped schedule and tour is expected to provide new interest for that audience as well as to create a better management of cost and income.

Management of the Con Foster Collection represents a major source of expense for the Center, though central to its mission and purpose. The City of Traverse City, through the Downtown Development Authority, continued to provide funds for both Collection management and building upkeep in the past year though such revenue will be reduced in 2014, providing a significant new challenge to Center leadership.

Revenues derived from Center documentary and photographic archives provided a small but steady source of revenue as in years past. A new fee schedule, both for access to archives and research consultation services, was instituted late in the year and is expected to provide a greater impact as the new year unfolds.

The rental of office and meeting space, both to the partner organizations currently housed at the Center and for more casual users of meeting space, has also provided a small but steady revenue source. Newly structured rental agreements, not significantly changed for several years, will add to that revenue in 2014 while remaining far below such cost in the commercial marketplace.

Management & Organizational Development

The experience provided by the financial performance of 2013 has brought to Center leadership a determination to renovate and restructure the financial and operational management of the organization. The addition of experienced individuals to the Board of Directors; people with backgrounds in financial management, marketing, non-profit business operation, and other disciplines, has re-armed that leadership to not only correct faults of the past, but to work toward a financially stable and sustainable History Center for the future. A new emphasis on realistic strategic planning, the improvement of volunteer recruitment and training, and tighter budget control, has begun to emerge as we enter 2014.

The optimization of building usage is also on the docket for 2014. A re-alignment of exhibit spaces, better guest accommodation, and more effective use of storage and operational square footage is intended to maximize revenue generation and lower cost. New partnership potentials are under study, while other such opportunities have reached the negotiation stage.

Looking Ahead

Like all competent leaders, the Board of Directors of the History Center is keenly aware of challenges faced by such an organization. The responsibility of the History Center for care of the Carnegie Library Building and custodianship of the Con Foster Collection is in the forefront of every discussion and every decision. Such is the spirit of the sweeping plan for restructuring of the financial and operational management of the organization initiated early in 2014. Significant components of that plan include:

- The elimination of two staff positions, one full-time and one part-time.
- The adoption of stringent cost-control measures with clear budget accountability among staff and volunteers alike.
- The realignment of staff responsibilities and a more effective use of the considerable operational experience and skills of Board members.
- The continuation of those exhibits and events that have proven financially successful, such as the Annual Festival of Trains, the Building Blocks of Traverse City, and the Legends of Traverse City.
- The restructure of the popular “Magical History Tour” for greater cost control and maximized revenue.
- The recent award of a Grant in Aid for Center operation by the Michigan Council for Art and Cultural Affairs and the National Endowment for the Arts.
- The institution of new exhibits and events intended to increase Museum admissions and revenues.
- The investigation of appropriate organizational partnerships in order to make more effective use of office and exhibit space while underscoring the position of the History Center in our community.
- An aggressive fund raising initiative to commence in mid-2014 and intended to satisfy capital improvement needs of the Carnegie Library Building.

The current leadership of the History Center isn't so far removed from their predecessors to have forgotten the fact that this volunteer organization raised \$1.5 million in 2002 for the restoration and renovation of the City owned building that they occupy. The planned discontinuance of past commitments by City government to support the people's investment in that architectural treasure through an annual building management stipend, as well as similar financial support for custodianship of the City's Con Foster Collection, has given a new urgency to the care of that legacy and a new determination to create a stable and sustainable future for the organization.

Each member of the Board of Directors, each member of the Staff and every one of the several volunteers that daily work to make the History Center an important and lasting asset for the people of our Community, remains committed to the preservation, protection, and presentation of the historical record of Traverse City and the Grand Traverse Region.

“The most important thing about our past is what it tells us about our future.”

- Anonymous

History Center of Traverse City

Statement of Profit and Loss Fiscal 2013

Ordinary Income/Expense

Income

Refunds & Credits	0
Museum Wholesale	1,720
Museum Retail	17,894
Archives Retail	3,152
Membership Dues	9,005
Publishing	49,836
Museum Admissions	101,067
Rental Income	14,272
Special Events	3,960
Grants, Stipends & Gifts	142,638
Investment Income	16

Total Income 343,560

Expense

Museum Retail Expense	8,862
Archives	200
Publication	48,836
Exhibits & Collections	19,493
Compensation & Related Items	182,405
Building & Occupancy	46,724
Special Events Expenses	44,995
Grant Related Expenses	14,771
Administrative Expenses	30,290

Total Expense 396,575

Net Ordinary Income (53,016)

History Center of Traverse City

Balance Sheet January 31, 2014

Assets

Current Assets

Checking/Savings

Operational Accounts 51,725.69

Total Checking/Savings 51,725.69

Total Current Assets 51,725.69

Fixed Assets

Cost of Depreciable Property 19,735.00

Less Accumulated Depreciation (19,735.00)

Total Fixed Assets 0.00

Total Assets 51,725.69

Liabilities & Equity

Liabilities

Current Liabilities

Accounts Payable

Trade Accounts Payable 5,792.88

Total Accounts Payable 5,792.88

Credit Cards

Credit Cards 0.00

Total Credit Cards 0.00

Other Current Liabilities

Payroll Liabilities 1,387.41

Total Other Current Liabilities 1,387.41

Total Current Liabilities 7,180.29

Total Liabilities 7,180.29

Equity

Fund Equity Unrestricted (1,957.74)

Fund Equity Restricted Endow 399.58

Current Net Earnings (Loss) 39,190.90

Net Income 6,912.66

Total Equity 44,545.40

Total Liabilities & Equity 51,725.69

History Center of Traverse City

Budget Fiscal 2014

Ordinary Income/Expense

Income

Refunds & Reimbursements	\$	0.00
Museum Wholesale		1,000.00
Museum Retail		14,000.00
Archives Retail		1,200.00
Membership Dues		10,000.00
Services		1,300.00
Publishing		0.00
Museum Admissions		91,200.00
Rental Income		15,050.00
Special Events		2,500.00
Grants, Stipends & Gifts		84,000.00
Investment Income		0.00

Total Income \$ 220,250.00

Expense

Petertyl Payable	\$	4,105.00
Museum Retail Expense		7,000.00
Archives		2,500.00
Publication		1,600.00
Exhibits & Collections		8,900.00
Compensation & Related Items		109,745.00
Building & Occupancy		42,000.00
Special Events Expenses		24,500.00
Grant Related Expenses		0.00
Administrative Expenses		19,900.00

Total Expense \$ 220,250.00

Net Ordinary Income \$ 0.00



Organizations Housed In The History Center Facility

American Association of University Women

A local branch of the organization which, nationally, was founded in 1881. AAUW' s mission is advancing equity for women and girls through advocacy, education, philanthropy and research. The branch also offer scholarships, books and historical information about women to schools and libraries, has a May book sale, volunteers for local events and supports NMC, WIAA radio and other entities.

Women's History Project of Northwest Michigan

Founded in 2000, the Women's History Project preserves and recognizes women's contributions to their families and communities in northwest Michigan. The nonprofit organization acquires oral histories of women; collaborates with schools and local historical groups; preserves documents and articles; collects library/research materials; maintains exhibits on women's history; and catalogs women's history resources.

The purpose of the Project is to preserve and recognize the contributions of women to their families and communities in Northwest Lower Michigan.

Railroad Historical Society of Northwest Michigan

Organized in 1985, the Railroad Historical Society of Northwest Michigan encourages and advances the knowledge of railroad history. The group does this through a display of artifacts, rolling stock,



documents, safety materials, and works of historical significance to the railroad industry. The organization is restoring two pieces of rolling stock: an Ann Arbor Boxcar #1233 and a Caboose #2831 from Frankfort. The purpose of the Railroad Historical Society of Northwest Michigan is to encourage and advance the knowledge of railroad history. The group promotes public interest in all areas of railroad history. Numerous valuable artifacts have been donated and loaned to the Society by members and other railroad enthusiasts from around the state. A display for all to see is located at the History Center. The Society works in collaboration with the Northern Michigan Railroad Club to display historical documents during the popular Festival of Trains in December.

Grand Traverse Area Rock & Mineral Club

The Grand Traverse Area Rock & Mineral Club is an educational group whose purpose is to encourage interest in collecting rocks, minerals, fossils, and making jewelry.

Membership in the Grand Traverse Area Rock & Mineral offers its members the use of equipment and instructions at the Heritage Center. There are classes in silversmithing, and cutting and polishing rocks. Other areas of interest are gem tree making, beading, faceting, lost wax casting, lapidary, and fossil collecting. An annual Rock & Mineral Club Show attracts hundreds of participants.

The Club meets on the third Tuesday of each month at 7 p.m. at the History Center. A monthly newsletter updates members on the contents of upcoming programs and events.

The Grand Traverse Area Rock & Mineral Club maintains an educational display within the Museum of History at the History Center. The Club is among the largest in the Midwest and is affiliated with the Midwest Federation of Mineralogical and Geological Societies and the American Federation of Mineralogical Societies.



Source: History Center Website



Rental Space

Affordable & Convenient For All of Your Special Event Needs....

Consider the History Center for your next event. We offer modest meeting and entertainment space, right in the heart of one of Traverse City's historic neighborhoods.

"The Board Room" \$100

Accommodates up to 15 guests. Gather around our mahogany conference table for private meetings or small events.

"The Classroom" \$125

Located on the lower level, this room is an ideal space for small to medium-sized groups. Popular for art classes or instructional courses. Maximum capacity: 40

"The Community Room" \$250

Over 1600 square feet, provides numerous options for social events, lectures, meetings or craft/trade shows. This space is conveniently located on the ground level, with access to our main entrance. Maximum capacity: 125

Amenities included with all rental fees:

Access to full-sized kitchen, three restrooms, digital projector and screen, microphone, podium, folding chairs & banquet tables. All available at no additional cost. Facility is wheelchair accessible.

50% deposit is required to secure a reservation. Full payment upon date of event.

Pricing is calculated on a per use basis; multiple day events are billed per use (day).

We look forward to helping you plan your next meeting or event at the History Center!

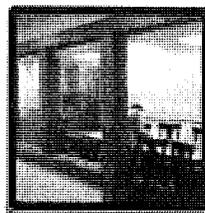
Contact: Laura Wilson -- Facility Rentals 231.995.0313 ext 107
laura@traversehistory.org



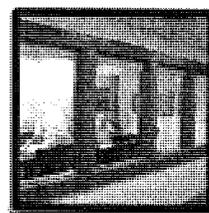
Wedding
receptions



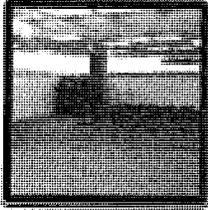
Wedding
receptions



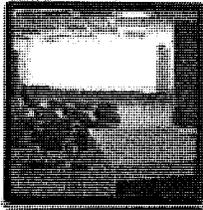
Boardroom



Boardroom



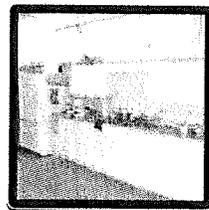
Community
Room from back



Community
Room from front



Classroom



Kitchen

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