

Friends of the Museums of Florida History, Inc.
MEETING MINUTES
10:00 A.M., Tuesday, June 20, 2017
Gallery for Innovation & the Arts (1st Floor)
R. A. Gray Building
500 South Bronough Street
Tallahassee, Florida 32399

Participants

Directors: Ms. Lena Juarez, Chair; Mr. Lester Abberger (on phone); Mr. John A. Boudet (on phone); Bill Herrle; Mr. Jon C. Moyle (on phone); Ms. Laura Rogers; Mr. Sam Vickers (on phone), and Mr. Peter Harris (on phone).

Staff: Ms. Lisa Barton; Dr. Jeana Brunson; Ms. Danila Coppola; Ms. Elyse Cornelison

Guest: Mr. Scott Hilton, Wells Fargo Financial Advisor.

I. Call to Order

Ms. Juarez, Chair, called the meeting to order at 10:03 am.

II. Introduction of Board, Staff, and Guests

Ms. Cornelison named all board and staff members attending the meeting on the phone and in person. She introduced Mr. Scott Hilton from Wells Fargo who attended the meeting to conduct the endowment update. Ms. Juarez made a motion to adopt the agenda.

III. Adoption of Agenda

MOTION TO PROCEED WITH AGENDA: Mr. Herrle

SECOND: Mr. Moyle

MOTION PASSED WITH NO OBJECTION

IV. Chair's Comments

Ms. Juarez passed her time for the chairman comments to Ms. Barton and Ms. Cornelison regarding the 40th Anniversary celebration plans later in the agenda.

V. Consent Items

Ms. Juarez listed out the consent items from the agenda. Minutes from February 16, 2017, Quarterly Meeting, Financial Report through May 2017, Budget for Fiscal Year 2017-2018, Letter of Agreement between Florida Department of State and FMFH, and SB1194-CSO and DSO renewal. Ms. Juarez asked Ms. Cornelison if she wanted to point out anything in particular. Ms. Cornelison wanted to state in the record that, for the financial report in tab three, we are doing well in all of the accounts. Looking at the Budget versus Actual Revenue worksheet, page three, shows that we brought in 68.7% of what we estimated for the fiscal year. The next worksheet, Budget versus Actual Expense, page three, shows that for the Museum we spent 50.9%. Basically, we brought in over 60% and spent just at 50%. Which means that we did well on balancing revenue and expense. Tab four has this coming fiscal year budget. We did not change anything from this year's budget. Just one thing to take note on, page three at the bottom under "Additional Funding Not Accounted for in Previous Budget," on the third line, there is "1 time funds for October 28, 2017." We will be having a large party for the new exhibit that will open in October. We have budgeted \$10,000 for it, but this is a rollover of almost \$5,000 from the March 21 event. So we only need to raise about \$5,000. Also, nothing has changed in the Letter of Agreement between the Friends and DOS. Regarding the Citizen Support renewal under tab six, there are two reasons why we need to approve it every fiscal year. One, there is a 'Three Year Plan', and the Code of Ethics for the board, which is attached to it. Ms. Juarez reminded everyone that about three years ago the legislature required all the Direct Support Organizations to adopt these measures. Ms. Cornelison agreed and added that every CSO within the department has to turn in this report. It is then compiled in the Secretary of State's office and sent to the Governor's office. Ms. Juarez asked for a motion for the following consent items to be approved:

Note: Consent items up for vote were provided to the Board in advance via email.

A. Meeting Minutes from February 16, 2017, quarterly board meeting

MOTION TO APPROVE MINUTES: Mr. Moyle

SECOND: Mr. Herrle

MOTION PASSED WITH NO OBJECTION

- B. Financial Report through May 2017
MOTION TO APPROVE MINUTES: Mr. Moyle
SECOND: Mr. Herrle
MOTION PASSED WITH NO OBJECTION
- C. Budget for Fiscal Year 2017-2018
MOTION TO APPROVE MINUTES: Mr. Moyle
SECOND: Mr. Herrle
MOTION PASSED WITH NO OBJECTION
- D. Letter of Agreement between the Florida Department of State and FMFH
MOTION TO APPROVE MINUTES: Mr. Moyle
SECOND: Mr. Herrle
MOTION PASSED WITH NO OBJECTION
- E. SB1194-Citizen Support and Direct Support Organization renewal agreement
MOTION TO APPROVE MINUTES: Mr. Moyle
SECOND: Mr. Herrle
MOTION PASSED WITH NO OBJECTION

VII. Business Items

A. Financials

1. Knott House Endowment Update - Mr. Hilton explained that a new, more detailed quarterly report will come out the first week of July, but he was able to give a little more up-to-date view. The James Knott Foundation, the endowment from which we get a lot of our programming income from right now, is currently at \$175,222 year to date. It is up 8.1%. Since we met last time the market has continued to do relatively well both in the U.S. and foreign market. The S&P and the DOW are just over 10% year to date. Bonds have remained relatively flat, which is interesting because we have had, since we last spoke, an interest rate hike, but the ten-year treasury is right now still only yielding 2.19%, which is low. Our analysts thought that we would be somewhere between 2.5 and 2.75 % at this point. We still expect one more rate increase, most likely to happen in December. In getting back to the endowments, from the Charles Knott, just as a refresher for everybody, we have taken out a significant amount of assets, \$380,000, a year ago in June of 2016 for the new State of Florida Cultural Endowment account. There is a grant from the State of \$240,000 that is a match. The Charles Knott account, year to date is up 2.72%, and is at \$149,652. The Charles Knott account is the one set up for maintenance of the property. The James Knott account, year to date is up 4.62%, and is at \$172,991. This account is for programming at the property. And then the State of Florida Cultural Endowment account, is at \$621,177. This account is also for programming at the property.

If you remember, we had a discussion during the last board meeting about switching the State of Florida Cultural Endowment account out of CDs to stocks. I think Ms. Cornelison is going to talk more about this today, but we are very strictly constrained on the investments on that account. This account has to be managed for "preservation of assets" which limits us to very conservative short term fixed income instrument. The way we have it structured is with laddered certificates of deposits. We have it laddered generally at 6, 12, 18, and 24 months, but nothing exceeding 24 months. And we actually have one coming due next month, which we hope to invest at a higher rate of interest. That account right now is generating approximately \$5,000 a year in interest income. Mr. Hilton asked if the board had any questions regarding the different endowment accounts. Ms. Cornelison did have one quick update. She passed around the attached notes from the brief meeting with Mr. Moyle and Mr. Boudet on Thursday, June 15, because there had been that question that came up from the last board meeting. If there was any wiggle room to put the \$600,000 into a more profitable fund and the answer, as you can see from the contract that we signed. "Preservation of the \$600,000 capital value of each program fund shall be the primary responsibility of the Organization and shall be the primary investment constraint under which it shall manage the program fund." Mr. Hilton gave the definition of the preservation of capital as "a conservative investment policy that invests in very safe securities, such as Treasuries (T-Bills), which will not lose any value." That is our constraint, so we are going to have to leave this fund in the CDs as they are laddered. We will just be getting a very small growth as we go along. But then there was also a question posed as to whether we should give the \$240,000 back to the Division of Cultural Affairs (DCA) or should there be a fundraising campaign to be initiated to replenish the funds in the Charles Knott endowment for maintenance. Everybody that was there said no to return the funds, so we need to look for different ways to replenish the Charles Knott Endowment fund. Also, there was a question posed to the museum staff to check with our accountant, with DCA, and with the Secretary's office on being able to charge the programming facilities usage

fee to the Cultural Endowment. The preliminary answer to this from an auditing and from the DCA's stand point is no. There is no real way to support this and therefore is not a viable answer. So the answer to the discussion is that we will continue to take programming fees from the Cultural Endowment and any additional maintenance fees that needs to be drawn will be from the Charles Knott Endowment. As a long term approach we will need to build back the money in the fund by initiating a fundraising campaign. That was what we came up with from the Thursday, June 15 meeting. Ms. Juarez asked if this issue had been put forth to the General Counsel. Dr. Brunson answered that there was nothing to be put forth that has not been approved from the contractual agency, Division of Cultural Affairs. Ms. Cornelison asked if there were any further questions about the three endowments or for Mr. Hilton, and none were raised.

2. Endowment Fundraising Initiative - Mr. Boudet reminded the board about past discussions of creating a new endowment that would be unrestricted and that it could be used for whatever purposes including maintenance of the Knott House, and how to go about doing that. The first step towards that is generating some seed money and talking with our investment advisor to understand what is a realistic minimum amount to get this account opened. What are the simple maintenance fees? What would make it reasonable to create a separate account? We have had already \$1,000 contributed from when we first discussed this. Mr. Boudet's suggestion is to develop and formalize an aspirational goal for each board member on an annual basis to raise, for example, \$1,000 each towards this unrestricted endowment. It could be a different amount, but the idea would be that between June 2017 and June 2018 each board member commits to raising a certain amount of money. Question then is how would board members be able to do this. Personal contributions, fundraisers, gifts from employers, whatever it is, but let's make this an aspirational goal. We have 12 board members, and a year from now we'll have \$12,000, with which to seed that account. Mr. Boudet pointed out that he has been on the board for eight years, and if you project that forward, in eight years, which goes by pretty quickly, even without some major donations or some substantial increase in that commitment, we would have close to \$100,000 and soon enough that would generate enough to cover the deficit in the Charles Knott endowment and give us an opportunity to do something else as well. Mr. Boudet welcomed everybody's reaction to that to see if that was a realistic way to go. Mr. Abberger thought that it was a really reasonable and obtainable approach, thanked Mr. Boudet for his work and gave his full support to the suggestion. Ms. Juarez asked if this could be tied to the 40th anniversary. Mr. Boudet said that whatever marketing could be done to reach the goal, the board should do it. It could be to have a collaborative fundraiser in Tallahassee, in somebody's home or at the Museum. Like the one that the board did in Orlando, the Paella for Ponce Party, that \$15,000 to \$20,000 was raised in one night. We could do something like that as the board and we would meet our commitment for the year. Mr. Boudet was open to any suggestion from the board. Ms. Juarez said that she liked all those ideas and that the board should keep talking about this. Mr. Boudet asked for a reaction from the staff. Ms. Cornelison said that we are all in agreement that tying it in to the 40th anniversary this year would bring some extra oomph to it and from the development/marketing standpoint she thought it was a great ideal. Ms. Barton said that she would be supportive of it too. Dr. Brunson agreed as well. Ms. Cornelison said it was a good thing in the long run to have an unrestricted endowment for the museum to draw from in case we need it. Mr. Herrle asked how viable was it to craft an endowment that had that kind of flexibility. Ms. Cornelison did not think that there would be much of a problem or restriction on that, depending on how we would class the supporting documentation that go with it. Right now with the Knott endowments we have an investment policy that support how they can be invested and what we can use them for. Having an investment policy in place, that would support this unrestricted endowment, would give us the basis of how to operate. Mr. Hilton agreed. In crafting the endowment document, it would be necessary to make sure that the language is broad enough that it does not put too many restrictions on it. To reiterate, this would be the board starting a brand new unrestricted endowment with whatever the board would be able to raise. Ms. Juarez said that we have a lot of fun challenges coming up in this fall and early next year related to fundraising and she could not thank everybody enough. A specially thank you to Mr. Herrle for heading the committee in February when the board had the event with the legislature and raised enough funds to rollover for the October 28 event, which the staff is going to talk about next.

Ms. Juarez asked if anybody was particularly interested in working on developing some marketing material for the fundraising for the 40th anniversary, to send Ms. Cornelison an email or speak up. Ms. Juarez recapped what was just discussed, the remaining dollars to raise for the October 28 event, which is about \$4,000, \$5,000 and money for the endowment, as Mr. Boudet just discussed, and then a big membership drive. Example, if you buy a membership, you might want to donate an extra \$5 to go to the endowment. We really should capitalize on the fact that it is the museum's 40th Anniversary and we have the chance to develop enough interest on what the museum is all about and that will bring in dollars. There is a lot more details that needs to be developed related to that, but those are some of the things that we are going to work on going into the fall. Mr. Vickers stated that he has been involved on several boards over a long period of time, asked what requirement we have right now for all of our board members in regards to membership on the board. It doesn't appear to him that there is a requirement of any kind at this point, but he believed that one of the first things that we should do is trying to

determine what we are going to do along those first. Mr. Vickers stated he is not to be opposed to Mr. Boudet's idea, he just thought that it might be useful for us to state what we are going to expect of our board members to do in terms of membership, as well as what is expected for the unrestricted endowment. Ms. Juarez agreed 100% with Mr. Vickers. Ms. Cornelison said that all the board members are required to be members of the Friends. However, the board has never really broached the subject of requiring a bottom line donation, stating that there are a lot of boards that require a minimum of \$1,000, either by fundraising or by just giving their own money, to be on the board. There is no real mechanism to tie our members down to a certain amount of fundraising dollars, except for when we do come up with fundraisers like the one that Mr. Herrle did for the March event. He just reached out to everybody and raised \$8,000 to fund that event, or Mr. Boudet's, when he hosted a fundraiser at his house in Orlando we were able to raise \$17,000. Mr. Vickers said that that should be perhaps our first step in what we are going to do about any kind of a financial requirement as opposed to talking about endowment issues. Mr. Herrle stated that this is a classic board issue. We have all come across it on other boards we serve on. And yet, at the same time, we have had a lot of success in raising money for an event like we had in March. He stated he was very pleased that many board members didn't hesitate at all to donate. Continuing, he said the discussion could either be a goal or a condition of board membership or both. But his one piece of advice in moving forward on this is that we strive to take the perspective of the board members, and try to be as flexible as possible. Ms. Rogers said that she has a sample of a couple of different boards where they have set clear responsibilities of serving as a board in good standing, which do have those minimal type of financial expectations. She stated it is key, when fundraising, that a board member needs to have some "skin in the game". It's not just the meetings 4 times per year, it's actually financially supporting in the best way that one can. And the personal membership is not a super high level but one is able to bring in those other members and find other business that are financially supportive at different events. That way we can have the full 100% of the board in good standing, and doesn't have to be a financial burden. Ms. Rogers asked that if we start a new endowment, which she definitely thinks that we should, where would we go through? Would it go through as an individual Wells Fargo type of account, or there would be some endowment type organization that monitors accounts? For example, the Community Foundation of North Florida is able to market different endowments they host because people go there and shop for what they would like to donate to. In her experience, they are fiscally responsible and may have low administration fees. Mr. Boudet thought that that would be a great thing to investigate, and asked if a recommendation can be presented at the next board meeting. He asked if money raised could be put it in a holding account until a decision is made where to permanently put it. Ms. Cornelison answered that there is a restricted account that is money market account, and any time we have restricted funds we put the monies there until it is ready to be used. She has already put the donated \$1,000 in there. Ms. Juarez made a recommendation that she will work with staff to review the bylaws and to look at the criteria for board membership as they relate to fundraising and/or being in good standing. She will take Ms. Rogers' example into account and will come up with a recommendation by the next board meeting. At this point Ms. Juarez recommended to jump down to the 40th Anniversary plans and then go to the Airport TREX update.

B. 40th Anniversary Events

1. Membership Offer and Members-only Event on October 19 - Ms. Barton thanked Ms. Juarez for her enthusiasm for the 40th Anniversary events, and why this is such an important event for the Museum to celebrate its 40th Anniversary. In line with that Ms. Barton said that staff feels that this is a great time to push new membership and for additional contributions from our members. She explained that staff had a couple of ideas on how to market membership. One idea is to maybe offer a limited time sale on new family memberships at the \$60-\$50 level. That is to have a limited time sale of \$5 or \$10 discount. That may be a good way to get new members to join the museum. And when they renew next year, it would be back at the regular prices for family memberships. Another idea was to offer a one-time new membership to people born in 1977, since we are celebrating the 40th. Another way to encourage people to join the museum is to offer members-only perks, and staff has proposed to have an elegant members-only reception and exhibit preview on Thursday, October 19. This would be the private opening of the Museum's new temporary exhibit: *Living the Dream – Twentieth Century Florida*. This reception would be open only to members and their guests and they would get a special "first look" at the new exhibit. Mr. Herrle asked if the exhibit was the one that coincides with the 40th Anniversary. Ms. Barton responded affirmatively. The exhibit brings forth the transformative power of the Florida dream through artifacts, music, stills, immersive environment. It will take a look at the Florida dream and the impact on the areas of environment, tourism, economy, migration, popular culture, the cold war, and the civil rights. It is a very broad topic exhibit and we are using only the Museum's collection, about 200 artifacts. Our fabrication team is designing all new case work and it will look different from any museum exhibit in the past.
2. *Living the Dream: Twentieth-Century Florida* exhibit public opening event on October 28 - Ms. Barton continued updating the board on the public grand opening of the exhibit. This will be on a Saturday to encourage families to come and will encompass the plaza outside, the first floor of the building, and of course the museum gallery and lobby. The idea is to have children's activities starting in the early afternoon and then shifting to a

more adult centered, type of concert setting in the evening. Some of the ideas that have been put forth so far include having a live band, having large sized games like shuffle board that became very popular in Florida, a costume contest based on your favorite decade after World War II, and a craft beer garden. Ms. Barton reminded the board that we need to raise an additional \$5,000. Mr. Herrle stated that he will be happy to raise that \$5,000. Ms. Juarez said that if anyone wishes to be more engaged in the planning for the 40th Anniversary, to please let the staff know, because there is a lot of fun opportunities for marketing, for the membership drive, for fundraising, for event planning. Ms. Rogers would like to help especially with the October 19th event. Discussion continued on event planning and ideas on community engagement.

C. Airport TREX update - Ms. Juarez said that she and Ms. Cornelison were invited to make a presentation during the legislative session to all the directors of Florida airports, which they did and subsequently were invited to be an exhibitor at their annual conference in July. Some of the airports had expressed interest in the TREX exhibit to put in their terminals during this meeting. Presenting at the annual conference will present an even greater exposure for this new program to the Florida airport community. ATREX has the support of the Secretary and Museum staff given that it will be an exciting opportunity to create more exposure for the Museum.

D. Planning for future board meetings

1. Quarterly board meetings along with dates and times (time for all meetings will be 10:00 a.m.)
 - October 2017
 - December 14, 2017 – conference call
 - February 8, 2018

VIII. Other Business

A. Staff Updates

1. Florida's History Shops Updates - Ms. Cornelison announced that Ms. Breshike's last day was Friday, June 15. She will be joining her husband in Virginia and in the next couple of months they will be having a baby. In the meantime, Ms. Breshike has been training the assistant manager Ms. Katie Silcox, who right now is an employee of the CSO. Ms. Breshike has been training her on how the shop runs, how QuickBooks works, how to buy items for the store, and how to train employees. Store staff, myself, Ms. Barton, and Dr. Brunson are all very comfortable with her in stepping in for Ms. Breshike. Ms. Silcox will be starting as soon as we can get the paperwork finalized. Ms. Cornelison also updated the board that the store successfully went through inventory, and preliminary reports said that everything went really well and they are just finishing up putting the whole inventory book together and, from that standpoint, it will be ready to go with the audit when we start with that in the next couple of months.
2. Museum Updates - Ms. Barton updated everyone on several past events the museum had. On April 5th there was a presentation by Clyde Butcher, with over 330 people that came. There was a Museum 40th Anniversary kick off on May 18th. Over 230 people came to that event. Florida History Day was last month and that was the largest ever, over 1100 students participated. There were three Florida entries to win first place at the Nationals last week. That included Leon County. Finally, the annual Emancipation Day celebration at the Knott House was on May 20th. Ms. Juarez said that she was really glad to hear that the numbers were going up. Ms. Cornelison said that staff was doing a great job of getting the word out there about the really exciting programs the Museum and the Knott House have done. Ms. Juarez asked if there was anything else before adjourning the meeting and thanked everybody for taking time to be at the meeting and participate and looked forward to more discussions and planning for our 40th Anniversary and for the rest of the year.

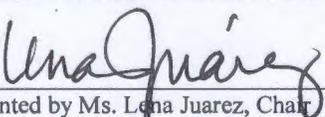
IX. Public Comment:

X. Motion to Adjourn

MOTION TO ADJOURN AT 10:57 a.m.:

SECOND: Ms. Rogers

MOTION PASSED WITH NO OBJECTION


Presented by Ms. Lena Juarez, Chair

Dated: 10/9/17