

**Friends of the Museums of Florida History, Inc.**

MEETING MINUTES

Ten, Thursday, February 16, 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. Stephen R. Birtman; Mr. John A. Boudet (on phone); Ms. Monesia Brown; Mr. Bill Herrle; Ms. Kathy Guilday (on phone); Mr. Jon C. Moyle; Ms. Laura Rogers; Mr. Sam Vickers (on phone), and Mr. Peter Harris (on phone).

**Staff and Guests:** Ms. Lisa Barton; Dr. Jeana Brunson; Ms. Danila Coppola; Ms. Elyse Cornelison; and Mr. Scott Hilton (on phone), as a guest.

I. Call to Order

Ms. Juarez, Chair, called the meeting to order at 10:02 am.

II. Introduction of Board, Staff, and Guests

Ms. Cornelison named all board and staff members attending the meeting in person and on the phone and she introduced Ms. Coppola as the new Administrative Assistant for the Museum. Dr. Brunson introduced Ms. Barton as the new Director of the Museum, filling the position vacated by Dr. Brunson to become Director of Museum Operations. Dr. Brunson explained that Ms. Barton started on February 13<sup>th</sup> and gave a full account of Ms. Barton experience as museum professional at the Knott House Museum, at the Museum of Florida History, and at the Historic Capitol Museum. All board members welcomed Mr. Barton, who thanked them and expressed her happiness to start working with them.

III. Adoption of Agenda

MOTION TO PROCEED WITH AGENDA: Ms. Brown

SECOND: Mr. Moyle

MOTION PASSED WITH NO OBJECTION

IV. Chair's Comments

Ms. Juarez didn't have any comments; she invited Mr. Hilton to open the discussion of Knott House Endowment.

V. Discussion on Knott House Endowment

Before discussing the specific endowment account, Mr. Hilton gave a recap on the past year. Early 2016 had just seen a quarter point interest rate hike in December 2015, which was the first one in quite some time. Also in December 2015 the Fed had announced their intention to raise the rate one quarter of a percent each quarter the following year. There should have been a rate increase of 1% in 2016, in fact there was only one rate hike of a quarter of a point in December 2016. Mostly it was due to a lot of uncertainty in the financial market both nationally and globally. In January and February of 2016 there were fears over global slowdown centered around what was going on in China, therefore the U.S. and global stock market was really weak the first two months of the year. Then slowly the system recovered and then there was another shock in June with Brexit. Fortunately, that was not too serious of a concern and, in the summer months, there was a gradual recovery. Then going into the elections, about a month out, U.S. stocks really started to decline and then with the election results there was a huge rally that went into the end of the year, which culminated into the interest hike in December. There was also a rotation out of bonds in general, more into stocks, and that has continued into early 2017. Mr. Hilton explained that in terms of interest rates outlook, the bank thinks that the federals will hike twice this year, in June and in December, although that is not certain by any means. He added that as far as the stock market goes, their analysts and strategists feel that stock prices are probably a little bit ahead of themselves. The rally after the elections was due to two primary things about which the market was optimistic about. Number one, the corporate tax reform. Mr. Hilton explained that it may take longer than a lot of people expects, but there is a good chance of that happening. He clarified that what is so important – about dropping the corporate income tax rate by 10 percentage points – is that most of that money drops directly to the bottom line as profits. He explained that investors see that as a positive, because there are more dividends for them, or, theoretically, companies may invest some money back into their business and create more jobs and expansions. He added that the second issue is regulatory reforms, and that is more complex to accomplish over a longer period of time, but all the indications are that they are going to cut back a number of regulations from industries such as financial companies and energy companies. A lot of these industries should see theoretically much lower regulations, and that is seen as a positive for earnings. The rally in the fourth quarter was primarily due to two sectors, the

financial sector and the large energy companies. Those two sectors really grew the stock market returns at the end of the year.

This recap was to give the board an idea of how the different balances have done. Mr. Hilton pointed out that the first quarter performance reports were in the binders. The first one was James Knott's, the account ending in 5663. For the quarter it was up .83%, for the year it was up 6.79%. He reminded that there was weakness in bonds in the fourth quarter. He explained that typically bonds perform well throughout the year and stocks, of course, do very well. Before getting into the returns on the Charles Knott, Mr. Hilton also reminded that in June the board moved \$380,000 out of the Charles Knott account into a restricted endowment account to receive matching funds from the State of Florida, which explains the drop. That accounts for the quarter that was down 2.12%, but was up for the year 9.17%. He clarified that that account has a higher percentage in intermediate term bonds, which, again, in the fourth quarter did not perform as well, since there was a rotation out of bonds and more into stocks. But, still, for the year it was up quite a bit. Again the \$380,000 went into the restricted endowment account, which is governed a little bit differently. Mr. Hilton explained that approximately at the end of the year there were \$618,000 in that particular account, \$240,000 of that was matching funds received from the State of Florida. With the program agreement, and the agreement received with the matching funds, they were restricted to investment objective of preservation of assets, which is the most restrictive and conservative allocation that they potentially could be subjected to. He clarified that that account invests in four different CDs of \$155,000 each from different banks; they are laddered six months apart, so hopefully as rates begin to raise they will be able to take advantage of that, because that money is earning about .78% per year, equating to a little under \$5000, which is not a lot of income. Mr. Birtman commented that, in the past board meeting, it was discussed the possibility to change the regulation regarding the amount of risks to take. Mr. Birtman asked if that possibility had been explored. Mr. Hilton replied that Mr. Moyle and him had discussed it in December and they were still working with Dr. Brunson and Ms. Cornelison to potentially approach the State of Florida with a plan for a more liberal asset allocation policy on that. Mr. Birtman asked if this was a realistic opportunity. Mr. Hilton replied that he did not think that there was a high probability for the go ahead, but that it could not hurt to ask either. Mr. Birtman asked who the board would have to ask, and who actually made that call. Ms. Cornelison replied that the conversation would have to go through the Secretary's office, through the General Counsel, because there would have to be some kind of an exception to a rule. Mr. Boudet asked if the requirement was just that we invested with the objective of preservation of capital and not specifically on CDs. Mr. Hilton confirmed. Mr. Boudet asked if it was possible to diversify a bit and still stay within that parameter of preservation of capital or if CDs were the only option. Mr. Hilton clarified that these were not the only instruments available, but that they were the highest yielding instruments available at the moment. Mr. Moyle asked Mr. Hilton if there were industry guidelines that he would reference, with respect to what is useful for preservation of capital. Mr. Hilton answered that they were very short term and low risk instruments encompassing treasury bills, CDs, money markets, that is short term commercial paper, and that the constrain did not give a lot of leeway. Mr. Hilton added that the agreement stipulated that the account cannot drop below \$600,000. A little bit of a cushion was created by moving \$380,000 instead of \$360,000 just to account for any market fluctuation. The face value on those CDs is \$620,000, and they were at the moment at \$618,000. He explained that they don't fluctuate a lot, but there needs to be a little of leeway in there just in case. He added that the board has to provide a report to the State of Florida so they can make sure that it is in compliance with the guidelines for the maintenance of the account at \$600,000. Mr. Birtman asked to whom is the report to be submitted to. Ms. Cornelison replied to Cultural Affairs. Mr. Moyle asked if we knew if the state investment group, State Board of Administration, has criteria for the preservation of wealth. He added that we moved the money over, we got the money from the State, and now the question was to how to invest manage this going forward. He asked if on the other trusts Mr. Hilton had more flexibility. Mr. Hilton replied that this was correct and one possibility maybe was to take a little more risks with those funds, but to keep in mind too that the board occasionally takes distributions off of those either, so Mr. Hilton didn't want to increase the risks there too much. He thought that we were at an appropriate level to get some long term growth and income on the other two accounts. He explained that the restricted endowment was the bulk of what the Museum had so, to get higher returns from the overall pie, that's where the board needed to look, but that it would take some waiver to get a little more leeway with the investment in that account. Mr. Birtman stated that by the next board meeting he wanted to explore what the board could do to start that process, with Mr. Hilton's agreement. Ms. Cornelison mentioned that Brian Manuel, who does the Museum audit, had asked if there was a possibility to combine the other two endowments into one so that there was more money to leverage, but that probably would incorporate going to probate court asking the Knott family if the Museum could do that. Ms. Cornelison asked if that was something that could possibly be investigated. Mr. Birtman asked for clarifications. Ms. Cornelison explained that she was talking about the two smaller accounts, the one for maintenance and the one for programming. All the money was taken from the programming one, it was reduced from \$500,000 down to \$100,000. If the two accounts of \$100,000 were taken together, there could be a bigger chunk of money to invest. She explained that the Museum has three accounts, the restricted one and two smaller ones, one for maintenance and one for programming, while the \$600,000 one is technically for programming. Mr. Birtman commented that it may take a lot of work to get to the judge to combine them. He asked if there was consensus for Ms. Cornelison to find out to whom the board had to ask and what the process was to get the waiver. Ms. Juarez approved and asked Mr. Hilton to help in the process. Mr. Hilton offered to call Ms. Cornelison to set those wheels in motion. Ms. Juarez asked Mr. Hilton to do whatever he needed to do to explore the options, and if he had a decision to put in front of the board, if that could happen at the next board meeting. She added that she would have liked

for Mr. Moyle and Mr. Birtman to stay involved with this decision. Mr. Moyle offered to reach out and see what he could find out from the SBA with respect with their guidelines. Ms. Juarez thanked Mr. Hilton. Mr. Hilton thanked everybody and hung up.

VI. Consent Items

Ms. Juarez asked for a motion for the following consent items:

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

- A. Meeting Minutes from October 13, 2016 quarterly board meeting and  
MOTION TO APPROVE MINUTES: Mr. Birtman  
SECOND: Ms. Rogers  
MOTION PASSED WITH NO OBJECTION
- B. Meeting Minutes from December 15, 2016 Conference Call Meeting and  
MOTION TO APPROVE MINUTES: Mr. Birtman  
SECOND: Ms. Rogers  
MOTION PASSED WITH NO OBJECTION
- C. Audit ended June 2016 and  
MOTION TO APPROVE MINUTES: Mr. Birtman  
SECOND: Ms. Rogers  
MOTION PASSED WITH NO OBJECTION
- D. Financials through January 2017  
MOTION TO APPROVE MINUTES: Mr. Birtman  
SECOND: Ms. Rogers  
MOTION PASSED WITH NO OBJECTION

VII. Business Items

- A. Museum Reception on March 21, 2017 – Ms. Juarez explained that the Secretary had approved the proceeds for the legislature reception scheduled on Thursday March 21<sup>st</sup> in the Museum to highlight all the improvements that have been made in the last few years and to showcase the Museum to the legislature who funded stage one and stage two renovations. Ms. Juarez asked Mr. Herrle to report. Mr. Herrle explained that he was moving ahead under the guidance of the Department of State. He added that the intent was to have the event funded before announcing it. The goal was to raise \$4,000, which, as per Ms. Cornelison’s budget, allowed to offer a presentable reception. Once the money was in the bank, the board could start to invite people. He added that the goal was very close and, with great appreciation, he thanked all the board members who have donated or pledged. The total sum of the sponsorship to date is \$3,750, which leaves \$250 more to release the board to start making this event happen. Mr. Herrle explained that the board was permitted to raise more than that and, if that happened, it would be possible to have a much better event. Everyone had been given a sponsorship packet and sponsorships were available for individual or business or corporate in the amounts from \$250 to \$5000 with \$5000 being the Event Sponsor. Mr. Herrle encouraged to get the event funded so it would be possible to invite people. Mr. Herrle thanked the board again and reminded them that they were still \$250 short. Several board members volunteered to be part of the planning committee. Ms. Juarez suggested that the first invitation could be done via email or phone, followed by the proper invitation. Mr. Herrle pointed out that probably there were, between the house and the senate, sixty, maybe seventy freshmen and that the board needed to invite them, as well as the incumbents and the appropriation committee staff too. Ms. Cornelison suggested to invite also other elected officials, like the city and county. Everybody agreed. Mr. Herrle reminded the board of the \$4,000 budget. Mr. Herrle suggested that the planning committee get started and he would still try to gather up more sponsors. Ms. Brown then announced that Walmart Stores, Inc. is willing to donate \$5000 to the event. Everybody applauded and thanked Ms. Brown. Ms. Juarez then announced that Mr. Boudet was up to talk about the endowment.
- B. Endowment Fundraising Update – Mr. Boudet said that he had talked to people who had been involved in establishing initial endowments for various groups in order to get information from them on how to go about it, and maybe there were a few lessons to be learned. The first one was to get an initial seed contribution in order to make it real. And the couple of people Mr. Boudet spoke with said that to establish the endowment, no matter whether it was an initial contribution of \$5,000 or \$10,000, or a million dollars, one had to have some initial funding and to use that as the draw to create an event, or either a match fest fund or surpass that fund, to meet some short term initial fundraising goal for the endowment. The other thing Mr. Boudet learned was that two of the groups had on their normal contribution forms a box where one could designate any percentage of any donation to go to the endowment. He said that it was too late for the March event, but if, as a matter of course and properly disclosed, the board allocated 10% of each contribution to the endowment, it would build it over time in a relatively painless way. Mr. Boudet added that the board needed to have a committee of at least

three members to try to make those first strides, establishing a long and a short term goal and identifying someone, or some organization to help make an initial contribution. He explained that this was a long term goal and was not going to yield significant income during the current members' terms on the board, but it was something that fifteen, twenty years down the road somebody would say that they were pretty smart in 2017 to start that endowment. Mr. Boudet said that to have an endowment with unrestricted funds was really important for any cultural organization. Mr. Herrle explained that the board should raise a significant part of \$20,000 over the following twelve months, whether from the board members own pockets or from those who the board would solicit. He suggested to have some material to hand out to potential donors to explain that the Museum did not have an unrestricted endowment and how essential it was for the long term health of a museum to have it. Mr. Herrle suggested to put together a subcommittee to move forward. Ms. Juarez asked Mr. Boudet to name some board members that he would like to work with and recommended to coordinate with Ms. Cornelison to start the planning and development of the materials. Mr. Boudet asked if the board needed Sunshine compliance to have a subcommittee. Ms. Cornelison confirmed and explained that she could help coordinate and explained that it was a one-week notice. Mr. Boudet asked for volunteers. Ms. Juarez announced that Mr. Moyle and Ms. Rogers were volunteering for the subcommittee and introduced Dr. Brunson for an update on the 40<sup>th</sup> years anniversary.

- C. 2017 40th Anniversary Update – Dr. Brunson said that the kick-off event is scheduled for May 18, 2017. The actual anniversary date is May 20, but Emancipation Day at the Knott House is the same day. She explained that the Museum has also started a social media campaign with post looking back at people, artifacts, and exhibits over the past 40 years. The logo for the 40th anniversary is in the approval process and should be available to start using soon. She spoke about the opening of the exhibit *Living the Dream: 20th Century Florida* on October 20, 2017 and also explained that the Museum would start planning that event as soon as the ones in March and May were finished. Ms. Juarez asked Dr. Brunson if she needed the board to do anything and Dr. Brunson answered to be advocates of how it important the Museum is and the 40th anniversary. Ms. Juarez introduced Ms. Brown for the new board members' nomination and potential changes to the bylaw.
- D. New board members – Ms. Brown explained that the bylaws have very specific instructions regarding the Nominating Committee. The committee consists of the present Vice-Chair and any past-chairs no longer serving on the board. Mr. Gil Ziffer and Ms. Brown met on January 24<sup>th</sup> with Mr. Cornelison joining them. They had a discussion about three potential new nominees that had been sent to the committee and she indicated that their resumes were in the board binders. All three of them had expressed a genuine interest in serving and Ms. Brown and Mr. Ziffer want to bring these three resumes to the board for its review and consideration. Since then, Ms. Brown spoke to another individual who had expressed interest. Ms. Brown explained that first, in order to move them through the process, current members of the board would have to vote in favor of bringing these individuals on to the board. Once the board approved the nominees, Ms. Cornelison would then send the resumes and request through the approval process to have Secretary Detzner make the appointments. Ms. Brown suggested to have a discussion about the three resumes presented. She added that if the board wished to proceed with the three names, she wanted to first have the opportunity to present the board with the fourth resume and to move forward with all four at the same time. Mr. Birtman asked if it wouldn't be easier to move forward with the three nominees and then, when she had the information for the fourth one, that could go at the same time. Ms. Brown said that it was exactly what she had in mind, she just wanted to have some strategy in place to bring the fourth resume in. She added that the board could approve the three names, if that was the will of the group, but before approving it the board needed to make the amendment. Ms. Brown passed around a draft of it.
- a. Recommend change to Article VIII, Section 3 of Bylaws – Ms. Brown explained that it was very simple. The entire section was in the packet. There was just a specific section that needed to be amended. Mr. Birtman asked Ms. Cornelison if, as staff, she had any concerns with this and Ms. Cornelison replied no. Ms. Rogers read the amendment. The clause needed to say "at or before the Annual Meeting." Ms. Cornelison pointed out that the annual meeting was the June meeting and it's because they have to pass the operating budget at that meeting which is before the new fiscal year that starts July 1. Ms. Juarez asked if there were any questions.  
MOTION TO APPROVE CHANGE TO ARTICLE VIII, SECTION 3 OF BYLAWS: Mr. Birtman  
SECOND: Mr. Harris  
MOTION PASSED WITH NO OBJECTION
  - b. MOTION TO ACCEPT THE RECOMMENDATIONS OF THE NOMINATING COMMITTEE: Mr. Birtman  
SECOND: Ms. Rogers and Mr. Harris  
MOTION PASSED WITH NO OBJECTION

Ms. Juarez added that the board should work with Ms. Cornelison to get the nominations to the Secretary. Ms. Rogers suggested to follow up with the individuals involved so that they understand the process. Ms. Cornelison added that the Secretary would like a paragraph from the person who had recommended the applicant that says why he or she would make a good board member. The board confirmed that it would work with Ms. Brown on submitting the paragraphs to Ms. Cornelison.

- E. Airport Traveling Exhibits – Ms. Juarez announced that one week prior to the meeting, Ms. Cornelison and Ms. Juarez gave a presentation to all the Florida airport directors in Tallahassee at their annual summit. Secretary Detzner has asked the Museum and the Board to work on bring traveling Florida history to the airports. Ms. Juarez and Ms. Cornelison had been working together to come up with a simple traveling exhibits that airports could showcase. A preliminary model of an example was presented. The Museum is looking at citrus labels, alligators, and movie posters to start with based on exhibits already in existence in the Traveling Exhibit (TREX) program. This was not to preclude other ideas. At the summit there was a lot of interest in having one on aviation history. Their interest was incredibly high during the presentation and it was expected for the airport directors to contact Ms. Cornelison and Ms. Juarez soon. The Director of the Florida Airport Council also asked that a presentation be made at the annual convention scheduled for July 2017. In December they met with Chris Curry, the director of the Tallahassee International Airport, and other City officials to see if there was a way to highlight the City’s historical and cultural identities in the airport. He expected to meet with us again as soon as the renovations was over and there would be a better idea of space. Ms. Juarez expressed her enthusiasm about these programs and asked if anyone had any questions. Ms. Cornelison also gave an update. The scope of the first meeting with the airport directors was to see if they were interested with the design and the three subjects mentioned above. She explained that it would be a metal frame, easy to be put together. The exhibit itself would be printed on vinyl sheet to then pull it over the frame. It would be something light and small, so that they could put it in high traffic spaces. Ms. Juarez expressed her gratitude to the Florida Airport Council for allowing the Museum to reach such a wide audience.
- F. Future board meetings - Ms. Juarez explained that the June meeting had been scheduled early in the month to facilitate attendance, stressed the importance to participate, and asked board members to put it on their calendars.
1. Four quarterly meetings along with dates and times
    - June 8<sup>th</sup>
    - October ??
    - December 14<sup>th</sup>The time for all meetings would be 10:00 am.

VIII. Other Business

- A. Staff Updates - Ms. Cornelison explained that Florida History Day had been pushed back a week to May 9, 2017 and that The Grove was opening on March 11, 2017. Ms. Juarez encouraged everyone to put these dates on their calendar and to participate to these events. Mr. Birtman asked if Clyde Butcher would be signing things. Ms. Cornelison answered affirmatively. Mr. Birtman asked how the café was doing. Ms. Cornelison answered that the café was doing very well. Mr. Birtman asked about the work on the plaza. Dr. Brunson answered that the work was almost done. Mr. Herrle asked if there is still an issue with water leaks. Dr. Brunson answered that the leaks were contained and that they had slowed down to drips. Ms. Cornelison also gave updates from the History Shop since Ms. Breshike is in Atlanta for the trade show. She showed new t-shirts with the Florida seal, a new chocolate-pecan edible, new jewelry, and Clyde Butcher and Cattle Drive books. Ms. Cornelison said that Ms. Breshike would have new things to come when she came back from the trade show and that the sales were picking up from school groups. Dr. Brunson expressed her excitement about the Grove opening and the Clyde Butcher exhibit. Mr. Moyle asked if the parking at the Grove had been figured out. Dr. Brunson answered that there is a parking lot between two law firms off of North Monroe. She explained that the sidewalks had been completed and that the sign was being produced. The opening would entail a big public event from 10:00 am to 4:00 pm. There would be an event on February 23, 2017 at the Museum for the donation of the *Fort at St. Augustine* painting by the Museum of Florida History Foundation. Ms. Rogers commented that she drove in front of the Knott House Museum on Valentine’s Day and saw the sign “sold out” for the event on the front steps. Dr. Brunson explained that it was a really good program and was very successful. The new format had multiple types of performances. The poetry reading was combined with music and then everybody decorated their own cupcake, provided by Lucy and Leo’s Cupcakery.

IX. Public Comment:

X. Motion to Adjourn

MOTION TO ADJOURN AT 11:16 a.m.: Mr. Birtman  
SECOND: Ms. Brown  
MOTION PASSED WITH NO OBJECTION

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Presented by Ms. Lena Juarez, Chair

Dated: \_\_\_\_\_