

Friends of the Museums of Florida History, Inc.

MEETING MINUTES

10:00 A.M., Monday, February 5, 2018

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 (phone); Mr. Stephen R. Birtman; Ms. Monesia T. Brown; Mr. Bill Carlson (phone); Mr. Peter Harris (phone); Mr. Bill Herrle; Ms. Laura Rogers; Mr. Sam Vickers (on phone).

Staff: Ms. Lisa Barton; Dr. Jeana Brunson; Ms. Elyse Cornelison; Ms. Kaitlin Silcox.

Guests: Mr. Scott Hilton, Wells Fargo Financial Advisor (phone); Mr. John Kirk, Thomson, Brock, and Lugar, CPAs; Mr. Brian Manuel, Carr, Riggs, and Ingram, CPAs

I. Call to Order

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

II. Introduction of Board, Staff, and Guests

All board members, staff members, and guest attending the meeting introduced themselves.

Ms. Juarez made a motion to adopt the agenda.

III. Adoption of Agenda

MOTION TO PROCEED WITH AGENDA: Mr. Herrle

SECOND: Mr. Birtman

MOTION PASSED WITH NO OBJECTION

IV. Chair's Comments

Ms. Juarez did not have any comments. She announced that the 2016 FMFH Audit Report would be moved up on the agenda to allow for a quorum due to several board members needing to leave the meeting early.

V. Consent Items

Ms. Juarez listed the consent items from the agenda: the minutes from October 9, 2017 quarterly board meeting, the minutes from the December 14, 2017 Conference Call, and the Financial Report through December 2017.

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 October 9, 2017 quarterly board meeting

MOTION TO APPROVE MINUTES: Ms. Rogers

SECOND: Mr. Abberger

MOTION PASSED WITH NO OBJECTION

B. Meeting Minutes from December 14, 2017 conference call

MOTION TO APPROVE MINUTES: Ms. Rogers

SECOND: Mr. Abberger

MOTION PASSED WITH NO OBJECTION

C. Financial Report through December 2017

MOTION TO APPROVE MINUTES: Ms. Rogers

SECOND: Mr. Abberger

MOTION PASSED WITH NO OBJECTION

VI. Business Items

A. Financials

1. Mr. Manuel presented a review of the 2016 FMFH Audit Report.

Mr. Manuel gave an overview of his firm's audit of the FMFH financial statements for the year ended June 30, 2017. He desired to point out a couple of high points; one that CPA staff expressed an opinion on these financial statements based on our audit, and that they conducted our audit in accordance with the audit standards generally accepted in the United States of America. He stated that it was a clean opinion, the highest level of assurance that we can provide. Mr. Manuel proceeded to review the assets, liabilities, and net assets in the report. Mr. Manuel then moved on to discuss the Statement of Activities. Mr. Manuel said this was a fairly uniform year for the Museum. The only big thing involved the column of permanently restricted which represents the actual funding provided for the Cultural Endowment Fund. Mr. Manuel talked about the Statement of Cash Flows. He moved on to Notes to Financial Statements on pages 6-12. Note 3 on page 9 breaks down the investment by type. You can see there that all of your CDs [inaudible]. On page 10, there's a breakdown of net assets by type. It shows in descending order the value of what has been set aside by donors for specific funding. When discussing the Notes to Financial Statements, Note 9— Concentrations—Mr. Manuel reported that there is a lot of cash on hand. Discussion between Mr. Birtman and Mr. Manuel about the cash on hand took place. Specifically Mr. Birtman wanted to know how much is not FDIC insured right now. Mr. Manuel responded it was around \$70,000 and noted that is something to keep in mind. Mr. Birtman suggested we put something on the agenda for the next meeting about this topic, i.e., that we have a lot of money and that's not making a lot of money right now. Mr. Birtman remarked that staff should think about finding a place to put that money so that we can have access to it, but get more than one or two percent.

Mr. Moyle asked where is that \$70,000 presently held. He asked to know if it was in an FDIC insured bank right now. Mr. Manuel responded that was correct. But the amount exceeds the FDIC coverage limits.

Ms. Cornelison noted that part of it is held in a restricted account that is money market, so we are earning a small amount of interest on it. Part of the money that is in that account was what we had raised to support the two permanent exhibits. She said that we will look at the issue and see where we need to go with that. Mr. Harris remarked that he was about to ask Lester to make some recommendations. Mr. Abberger responded that he would ask our financial advisor to look at that. Discussion ensued about continued use of the money in the permanent exhibits. Ms. Cornelison responded the basic premise for that money was to make sure that we kept it for any kind of upkeep or additions to the exhibit and noted it was held onto until we were sure that everything was the way we wanted it to be. Mr. Birtman replied that staff should put together a list of possible expenditures out of this money and let the Board know.

Discussion ensued between Mr. Birtman and Mr. Manuel that related to the audit. Mr. Manuel noted that they did identify a little issue that John and Elyse worked to resolve. The organization does a very good job separating the activities of the Museum and the Gift Shop. There is some transfer of activity back and forth where things are purchased through the Gift Shop for use by the Museum and that created some duplicitous extra expense that really didn't exist and where revenue didn't exist. We rectified that. Elyse has set up new procedures to make sure that doesn't happen in the future. Like I said, that wasn't material or a significant item, but it was identified in the audit.

Ms. Juarez asked for a motion to accept the audit.

MOTION TO ACCEPT AUDIT: Mr. Birtman

SECOND: Mr. Abberger

MOTION PASSED WITH NO OBJECTION

2. Mr. Scott Hilton provided the Knott House Endowments progress report. He provided a general review of the economy, including interest rates, tax reform, and actions of the Federal Reserve. He noted that he expected to see interest rates gradually go up. He also noted that the Federal Reserve started selling off securities to reduce its balance sheet. Knott House Endowments Progress Report – Mr. Hilton explained that under tab

five were the most recent account statements from each of the three accounts, and proceeded to run through them.

The James Knott account is at \$179,208. That one is at 15.39% for 2017 which is quite good and reflects what is going on with the market.

Charles Knott account returns rate is 10.36%. This account has a higher percentage in bonds--50 percent—whereas the James Knott account has a little more in equities. Mr. Hilton talked about the markets having fallen in the last two or three trading sessions, but that it was not a major cause for concern. Discussion ensued about the variability of mutual funds. He noted that there has not been a major correction since 2015.

The third account is the State of Florida Cultural Endowment account. We have \$622,839 for the end of the year. We have it staggered amongst four different CDs for \$150,000 each. They are laddered every six months. Mr. Hilton reminded the board that it is invested very conservatively. The good news is the short term rates have moved up and that has been advantageous. Right now the estimated income is \$7,700 for this year. For instance, we recently had a CD come due that was yielding 0.8%. We were able to replace it with a 24 month at 2.25% so based on \$155,000 that increases our income by about \$2,247.50 in one CD. We'll see another one coming due in July of this year and that one we should be able to get a little over 2%. As rates rise you can take advantage of staggering these. Initially you get a low rate of return as consistent with what rates were at the time but now the material rate is being much higher rate which is good news.

Discussion ensued about the interest rates in relation to tax reform and economic growth. Mr. Birtman posed a question about the anticipated interest rate hike. Mr. Hilton said that there could be higher rates if growth accelerates. Ms. Juarez asked for recommendations about securing the \$70,000? He advised to keep the principal secure and recommended looking at some short term CDs as a 1-year CD right now is over 1%.

Ms. Cornelison responded to a question about what is the money currently earning. She replied part of that \$70,000 that's in the money market is probably .5% or less. It's not quite at 1%. Mr. Hilton said we could get a little bit higher return but we may lose a little bit of liquidity with that, so that's the big question-- how liquid that money needs to be. He noted that he and Elyse could discuss that and have something ready for the next meeting. Discussion ensued about maximizing our assets and the need for discussion on how to do that. Mr. Hilton noted that he could come up with a recommendation for next meeting. Mr. Birtman posed a question about the interest that we are accruing on the endowment, whether or not it is used for anything or is it like the corpus; is it permanently restricted? Ms. Cornelison replied no, the interest is temporarily restricted, but we can pull that out when it's time for the CD to be renewed. Board members thanked Mr. Hilton for his report.

3. FMFH monthly accounting progress report was presented by Mr. Kirk. Ms. Cornelison referred the Board to Tab 4 showing the Balance Sheets through 2017 showing previous year comparison and profit and loss. Mr. Kirk reviewed the numbers on the page starting by pointing out the cash increased by about \$26,000 from the prior year, December 31. Inventories increased also. There will be an adjustment on inventory at the end of the year based on when the final count is done. Investment accounts increased by about \$32,000 from the prior year. Each one of those have increased: \$4,500 for the Cultural Endowment; \$17,000 for the James Knott; and \$10,000 for the Charles Knott. Accounts payable has increased by about \$8,000. Mr. Kirk noted they would be reconciling credit cards. Before they had been making sure that the liability at the end of June 30 was the correct liability. Going forward it will be a live update on the liability. At the end of every month, the liability will be not just payable by check but credit card. That will be reconciled on a monthly basis.

Gift cards was another area that changed from the prior year. The gift shop is now providing gift cards, so the gift card is not earned until it's in use so it should be a liability on the books. However, we were running into some issues trying to get the reports run by the merchant that is handling the gift cards. In order for them to provide us with the outstanding gift cards at the end of each month, they want to charge \$150 or 10% of the outstanding balance on the gift cards. Mr. Kirk noted they are trying to resolve the gift card issue.

Ms. Cornelison brought up the point-of-sale system where everything was bundled together and it was not something that was actually paid for. Now that we know that this is an issue, it will be something that Katie and I can work on trying to do something different.

Mr. Kirk continued to discuss the accounting report. Equity increased by \$60,000. We typically don't allocate the amounts until the audit report is done. Ms. Cornelison noted that the two numbers will be different when she runs the report again in December. She proceeded to thank Mr. Manuel, Mr. Kirk, and Mr. Hilton for their work over the past year. She noted how helpful they have been and important in helping keep our accounts clean and good and doing what we need to do. Mr. Kirk reviewed the profit loss comparison between last year and this year from July through December, and noted half the year has been completed to date. The restricted contributions are up a little bit in the acquisition fund and educational program fund. Ms. Cornelison mentioned this was the \$10,000 donation that Laura Rogers assisted in getting. The donor wanted to make sure that half of it went to acquisition and half of it went to helping with educational programming. Group applauded.

Mr. Kirk noted the TREX income was up by \$5,000. Gift shop sales are down compared to the prior year. Ms. Cornelison noted that when school groups are not coming in, sales are less. But as school groups visit, sales will increase. Discussion about school groups visitation. Mr. Birtman asked a question about how The Egg Express restaurant was doing. Ms. Cornelison responded that all was well. Ms. Cornelison responded that she wanted to make the board aware that the owner of the Egg Express is opening up another restaurant in the downtown area. The owner does not think that this will affect sales in our location, but time will tell once he opens. The owner says the majority of his sales are building related, and the other store will be a full service restaurant and different from what is offered here. The owner is working to get the restaurant open, but we have no time table at this point on when it will open.

Mr. Kirk continued discussing the financial report. Grant income is down by \$241,000 but that was from the Cultural Endowment fund that came in last year. Total investment income is up by almost \$3,000 comparatively. Brief discussion on the Cultural Endowment Fund income being up; Civil War flag preservation project went on this year. Discussion ensued about the Civil War flag that was conserved due to a donation. Mr. Birtman talked about the significance of the flag. Mr. Kirk continued highlighting the report. A question about the Knott House restricted account came up and Ms. Cornelison said she would correct the error on how it was entered. Mr. Birtman asked if there were any problems or anything to be concerned about. Mr. Kirk responded no. They have looked at the recommendations that Mr. Manuel had in relation to the audit, and we are hoping to change. Discussion about bringing the gift cards on the balance sheet ensued and how that might be a challenge with the vendor. Mr. Birtman noted that should be an item for the next meeting.

B. *Fundraising Committee Formation*

Ms. Juarez talked about the fundraising committee which was discussed during the December conference call. Some board members actually already volunteered. We are doing really well financially. We felt that with the 40th Anniversary especially we needed to form a fundraising committee and have it work in concert with the strategic plan, which is provided in the materials today. The purpose is raising money for the educational programming and promotion and if we have any special initiatives then we will have funding available. Ms. Juarez mentioned there are probably a lot of things to do still to capture new memberships so that might be an easy step. The smaller group of people on this board should sit down and identify where priorities are and take it to the rest of the board and move forward. Ms. Cornelison named the Board members who volunteered at December's board meeting to be part of a fundraising committee—Mr. Harris, Mr. Herrle, and Ms. Rogers. Ms. Juarez also volunteered to be part of the committee.

Fundraising Committee Formation

MOTION TO APPROVE FUNDRAISING COMMITTEE: Ms. Brown

SECOND: Mr. Birtman

MOTION PASSED WITH NO OBJECTION

Ms. Juarez mentioned getting the committee together in the coming weeks to get organized.

C. *Upcoming Executive committee slate to start on July 1, 2018*

Ms. Juarez mentioned the formation of the executive committee slate for the next term that will begin on July 1. She encouraged Board members to think about taking a leadership role. She noted about the positions

available—Chair, Vice-chair, Treasurer, and Secretary. She encouraged board members to volunteer for these positions if they had an interest and to contact her before the June board meeting to let her know.

VII. Other Business

- A. Strategic Plan. Ms. Barton discussed the process of developing an updated strategic plan. The process began in August 2017 with a staff visioning retreat led by a facilitator. She reviewed the five main goals developed by the staff which are (1) serve broad and diverse audiences to increase the number of people served (2) increase public access to quality education for all learning levels and abilities (3) develop and maintain engaging exhibits that Florida's diverse history and culture (4) strengthen the collection and ensure the preservation of Florida's material culture (5) secure and maintain financial and organization stability of museum resources and infrastructure.

Ms. Barton discussed the vision developed by staff, which a large part was being relevant to the community. Ms. Barton talked about some of the plans for the future, including the eventual donation of the Ronald Risner Fine Art Collection, which consists mostly of Florida landscapes by well-known painters, including many members of the Florida Artists Hall of Fame. Discussion about the eventual use of the collection ensued.

Other elements of the strategic plan discussed included restarting the Museum's Volunteer Program and developing an interpretive plan for the Knott House Museum. Ms. Barton talked about the importance of community outreach to Museum visitation, noted the regional appeal of Children's Day, and mentioned the successful Be My Neighbor Day that occurred the previous Saturday. Discussion ensued about visitors to the event. Additional discussion included the upcoming *Alligators: Dragons in Paradise* exhibit in the Summer of 2019 and the rest of the proposed exhibits schedule through 2021.

Ms. Brown and board members posed questions related to the percentage of the Museum's permanent collections that are available to the public and how do we increase accessibility. Further, how does the Museum expose people to what we have today? Lengthy discussion about online / digital options and ways to make artifacts available by social media ensued. Ms. Barton noted that the current website is fairly rudimentary and there is not a portal through which users can search the museum collections database. She noted there are quite a few resources needed (staff time, money) to complete a project such as that. Additionally, loans of artifacts to other museums are another way to make collections accessible to the public. Discussion took place about how Board members should follow up on the strategic plan and need for input from other stakeholders. Ms. Barton mentioned that it is important for the CSO Board to support the strategic plan. Ms. Cornelison mentioned that there was a lot in the strategic plan that would go hand in hand with the fundraising committee. She mentioned the CSO/DSO annual renewal that we have to do every June. We have some things in there that would have to be put before the fundraising committee. Discussion ensued about the breadth of collections in storage with the question of "how do we get more stuff out?" Mr. Harris asked about what else can be done to make exhibits / collections more accessible to the public. Lengthy discussion ensued about this and Ms. Barton and Dr. Brunson made comments about accessibility of the collection. Ms. Juarez mentioned that the strategic plan could be on the next meeting agenda.

- B. Airport Traveling Exhibit update:

Ms. Cornelison noted that she and Ms. Juarez had not been able to get in touch with the executive director of the airport council. She noted the need to do that and get into the airports. Ms. Cornelison mentioned that they had a great conversation in December during the conference call. Ms. Rogers and Ms. Guilday both came up with a great idea of contacting the malls and ports to see if they would be interested in putting them in their areas. For instance, in areas where they would be viewed by the public. Ms. Cornelison requested information on any contacts Board members may have of people who work in those areas. Discussion ensued about the airports and the need for a plan to further this project.

- C. Staff updates from Dr. Brunson, Ms. Barton, and Ms. Silcox:

Ms. Barton introduced the business card sized information cards that are in development for Board members. She asked that if anyone had suggested changes to let her know. Otherwise, she would start distributing the cards to Board members for their use. Ms. Cornelison noted the exhibits calendar in Tab 8 included in the meeting packet. Dr. Brunson remarked that the programs are doing well and the Museum has been working in concert with the other Department of State sites. Ms. Silcox gave the dates of special

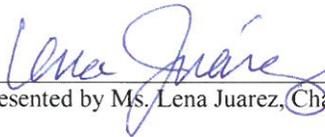
events that Florida's History Shop will be selling merchandise. She also showed new merchandise to the Board members. General discussion about merchandise in relation to school groups ensued.

- D. Next quarterly meeting dates.
Ms. Juarez requested that Ms. Cornelison send out a poll to check on good dates for the June board meeting.
- E. Summary of meeting accomplishments:
Ms. Juarez made general comments and noted that there was homework to do in regards to looking at the strategic plan. She noted that the June board meeting is very important because the budget is adopted and other important business is on the agenda.

VIII. Public Comment

IX. Motion to Adjourn

MOTION TO ADJOURN AT 11:27 a.m.: Mr. Herrle
SECOND: Ms. Rogers
MOTION PASSED WITH NO OBJECTION


Presented by Ms. Lena Juarez, Chair

Dated: 6/11/18