

Friends of the Museums of Florida History, Inc.

MEETING MINUTES

10:00 a.m., Friday, February 15, 2019

Conference Room 307 (Third Floor)

R. A. Gray Building

500 South Bronough Street

Tallahassee, Florida 32399

Participants

Directors: Mr. Steve Birtman, Chair; Mr. Lester Abberger (on phone); Ms. Monesia Brown (on phone); Mr. Andrew Collins; Ms. Kathy Guilday (on phone); Mr. Peter Harris (on phone); Mr. Bill Herrle (on phone); Ms. Lena Juarez; Mr. Jon Moyle (on phone)

Staff: Mr. Trampas Alderman; Ms. Lisa Barton; Dr. Jeana Brunson; Dr. Thomas Robinson; Ms. Kaitlin Silcox

Guests: Mr. Clint J. Collins, Thomson Brock Luger and Company; Mr. Scott Hilton, Wells Fargo Financial Advisor; Mr. John K. Kirk, Thomson Brock Luger and Company

I. Call to Order

Mr. Birtman, Chair, called the meeting to order at 10:07 a.m.

II. Introduction of Board, Staff, and Guests

Mr. Birtman welcomed all board members, staff members, and guests attending the meeting on the phone and in person. Meeting participants introduced themselves. Mr. Birtman made a motion to adopt the agenda.

III. Adoption of Agenda

MOTION TO PROCEED WITH AGENDA: Mr. Abberger

SECOND: Ms. Juarez

MOTION PASSED WITH NO OBJECTION

IV. Chair's Comments

Mr. Birtman declined to make comments, saying he wanted to keep the meeting moving.

V. Consent Items

Mr. Birtman inquired if there were questions about the minutes on the consent agenda. There were none, so he asked for a motion to approve.

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

A. Meeting Minutes from November 15, 2018, quarterly board meeting

B. Minutes from the November 7, 2018 Fundraising Committee meeting

C. Financial Report through January 2019

MOTION TO APPROVE THE NOVEMBER 15, 2018 MINUTES: Ms. Juarez

SECOND: Mr. Herrle

MOTION PASSED WITH NO OBJECTION

MOTION TO APPROVE THE NOVEMBER 7, 2018 FUNDRAISING COMMITTEE MINUTES: Ms. Juarez

SECOND: Mr. Collins

MOTION PASSED WITH NO OBJECTION

Mr. Birtman asked if anyone had any questions or concerns regarding the financial report that staff provided. Ms. Juarez asked Ms. Silcox why there was such a discrepancy between the previous fiscal year and this fiscal year for the History Shops. Ms. Silcox stated that she thought the main difference was she likely ordered too much inventory in the summer

and fall and the History Shops had less school groups in the fall than anticipated due to Hurricane Michael.

MOTION TO APPROVE FINANCIAL REPORT: Mr. Collins
SECOND: Ms. Juarez
MOTION PASSED WITH NO OBJECTION

VI. Business Items
A. Financials

1. Updated FMFH Investment Policy

Mr. Birtman introduced Mr. Hilton, who presented the updated FMFH Investment Policy. Mr. Hilton stated that he had been working with Ms. Barton, Dr. Robinson, and Dr. Brunson on updating the policy because it had not been revisited since 2007. Mr. Hilton told the Board that his plan was to make the policy clearer and easier to read. Mr. Hilton also wanted to add some history of the endowment funds so anyone who read it could understand how and why they exist.

Mr. Hilton added that there were not that many changes from the 2007 policy to the updated version. However, he did point out that the new policy included language that dealt with the Cultural Endowment Fund because that endowment makes up about 70% of the FMFH's holdings. Mr. Hilton stated it was also important to include the Cultural Endowment Fund because it is restrictive and it needed to be spelled out that the updated investment policy did not have any bearing on the Cultural Endowment Fund. Mr. Birtman asked that if it was correct that the Cultural Endowment Fund had very strict restrictions. Mr. Hilton said Mr. Birtman was correct and the main thing that had to occur with the Cultural Endowment was to maintain the corpus, which meant it could only be invested in certain ways.

Mr. Hilton then opened the floor to questions. Mr. Birtman asked if Mr. Moyle had questions, since he worked on the 2007 policy. Mr. Moyle said he thought all the changes are good and the document is much easier to read. Mr. Moyle stated he was comfortable with the document and the policy points out the significant responsibility the Board has in steering the endowment funds.

At this point, the new Secretary of State came in to the meeting to introduce herself. Secretary Laurel M. Lee stated that she was happy to meet everyone and looked forward to working with the Board.

Mr. Birtman then asked Mr. Collins if he had questions. Mr. Collins stated he appreciated the stylistic changes from the 2007 version to the updated version. Mr. Collins said he liked the specificity of the 2007 document and while it may not be necessary to include some of the specific language regarding hitting certain benchmarks, he did think it was something that might be worth seeing in quarterly updates. Mr. Hilton stated that he could easily add that to the endowment statements that are distributed to the Board. Mr. Collins stated that his only suggestions were mostly stylistic. He preferred having the format of the 2007 document that showed the lower limit, target allocation, and upper limit in that order. Mr. Hilton said that change could be made. Mr. Collins added that his only other question was why the target allocation for cash was 5% when he was under the impression that most organizations kept that around 2%. Mr. Hilton answered that it is important for the FMFH to have flexibility and be able to have cash on hand quickly and that is why that figure is higher than some other organizations.

Mr. Birtman then asked Ms. Brown if she had any specific questions. Ms. Brown said all of her questions had been answered, but she did want to applaud Mr. Hilton for modernizing the policy. Mr. Birtman then opened up questions to everyone else on the phone. Mr. Abberger and Mr. Herrle both stated they were happy with the policy updates.

With no other questions, Mr. Birtman asked for a motion to approve the updated policy, with the understanding that staff and Mr. Hilton would make the stylistic changes Mr. Collins suggested and update the figures of the target allocation to make sure it added up to 100%.

MOTION TO APPROVE THE FMFH INVESTMENT POLICY: Mr. Moyle

SECOND: Mr. Collins
MOTION PASSED WITH NO OBJECTION

2. IRS Form 990 for 2018

Mr. Birtman introduced Mr. Kirk, who presented the FMFH's IRS Form 990. Mr. Kirk stated that there were only a few portions of the 990 which he wanted to highlight. He also pointed out that there are financial elements of the audit that do not show up on the 990 so the IRS form does not give a complete picture of the finances of the FMFH for the tax period.

Mr. Kirk stated that there were not many parts of the form that needed to be highlighted. He did highlight that the FMFH only had one contributor that had to be reported as part of Schedule B of the form. Mr. Kirk pointed out that the relationship with the Division of Cultural Affairs has to be discussed in the form because the FMFH receives funding from DCA that must be reported.

For the purposes of reporting depreciation from the History Shop, Mr. Kirk highlighted the Federal Asset Report, which reports indirect depreciation of property owned by FMFH. Mr. Kirk pointed out that the cost of depreciation has gone up and might be something to keep an eye on.

Mr. Kirk pointed out that there was one change he would have to make to the form. He said that normally the form has been submitted to the IRS before the board meets, but this time since the form was being presented to the Board he would need to change the answer to a question on page six of the form, which asks if the organization provided a copy of the form to the governing body. Presently, the answer to that question was marked as "no". Mr. Kirk said he would change that to "yes" before submitting the form to the IRS.

Mr. Birtman asked if anyone had any questions. Mr. Collins asked if the FMFH received enough Federal funding to force more than one audit per year. Mr. Kirk stated that the FMFH does not receive enough Federal funds to trigger any additional audits and one audit per year is all that is required at this point. Mr. Kirk stated that the FMFH would have to receive a large amount of Federal funding for that to change. With no other questions, Mr. Birtman thanked Mr. Kirk for his presentation.

3. Endowments Progress Report

Mr. Birtman introduced Mr. Hilton, who handles the endowments for the FMFH. Mr. Hilton gave a broad overview of the financial landscape, stating that things have improved somewhat from the previous Board meeting, but that overall the endowments are still down due to issues regarding trade wars between the United States and China.

After his broad overview, Mr. Hilton discussed each endowment in turn. He began by discussing the Charles Knott Endowment, which covers maintenance costs at the Knott House Museum. Mr. Hilton pointed out that the Charles Knott Endowment was down 4.86% this quarter and was down almost 7% for the year to date. He stated that he was hopeful the endowment would rebound, but fluctuations in the stock market have hurt the fund thus far. The James Knott Endowment, which covers programming at the KHM, is down nearly 11% for the quarter and 7.4% for the year to date. Mr. Hilton said the James Knott Endowment has more assets devoted to equities and that is why it is performing slightly worse than the Charles Knott account. Unlike the Knott endowments, Mr. Hilton stated that the Cultural Endowment Fund is doing much better because that account is almost solely devoted to fixed income securities, which do not fluctuate as much. He pointed out that the reason the Cultural Endowment Fund is set up that way is because, per agreement with the state, the account must maintain a certain balance and so it is conservatively invested so as to not dip below that agreed balance.

Mr. Birtman asked if there were any questions. When there were none, Mr. Birtman stated that he had a question for Mr. Hilton. Mr. Birtman asked if recent news of a Chinese government official being arrested in Canada might cause problems for our investments. Mr. Hilton stated that although something like that typically would not cause a problem for the markets, it is a symptom of the larger trade issues between the United States and China, which is causing some of the problems to our investments. He said it is worth keeping an eye on, but the arrest of the Chinese government official probably would not have that much of an impact. With that, Mr. Birtman thanked Mr. Hilton for his presentation.

VII. Other Business

A. Florida History Day

Mr. Birtman introduced Trampas Alderman, Curator of Education, to discuss Florida History Day. Mr. Alderman stated that FHD was the biggest event the Museum of Florida History participated in during the year since the MFH is the statewide coordinator of the event. Mr. Alderman stated that this year has been one of the best so far, with some new counties coming on board, although he noted that Bay County had to drop out due to Hurricane Michael. Mr. Alderman gave a general overview of what Florida History Day is and all of the differing pieces and parts that MFH manages as part of the competition. Mr. Alderman pointed out that several FMFH Board members have assisted with FHD in the past and he thanked Mr. Collins for securing a sponsorship from CareerSource Florida for the past two years.

Mr. Birtman asked Mr. Alderman what the Board could do to help with FHD. Mr. Alderman stated that there were two things Board members could do to assist. First, FHD is always looking for judges because they need 300 judges for the competition. Mr. Alderman stated that they had secured commitments from about 150 people so far, which meant they still needed another 150 judges. Mr. Birtman, Ms. Juarez, and Ms. Guilday all stated that they have served as judges in the past and it is a great thing to do. Mr. Alderman stated the second thing Board members could do was spread the word to their friends, family, and colleagues about FHD and potentially judging.

Mr. Birtman asked if there was a way to get the FHD materials that Mr. Alderman brought hard copies of digitized and emailed to the Board members. Mr. Alderman stated he did have electronic versions of the materials and could get them sent to the Board members that way.

B. Update on cafe

Mr. Birtman asked for Ms. Barton to discuss any updates with The Egg Express café. Ms. Barton stated that Mike Schmidt, the owner of The Egg, was planning on closing the café on February 22. Ms. Barton told the Board that she and Dr. Robinson had contacted approximately thirty potential vendors to that point, but so far no one had sent a concrete proposal. Ms. Barton did say, however, that several potential vendors asked for further information and that she and Dr. Robinson would be meeting with a representative from Sharkey's later in the day.

Mr. Birtman stated that while it was not something the Board or staff needed to worry about just yet, he thought a plan should be in place, which could include budgetary cuts, if the café sat vacant for several months. Mr. Collins asked if the café space had ever been vacant in the past. Dr. Brunson stated that there was a gap of a few months between the transition from Fat Sandwich to The Egg Express, but that was the only time she could remember the space being vacant for any sustained period of time.

C. Staff Updates

Mr. Birtman asked if there were any other staff updates. Ms. Silcox discussed some of the new items for sale in the History Shop, stating that most of the items were still related to the *Surf's Up, Florida* exhibit. She did point out that she is getting new items from some local vendors, many of which feature iconography related to the City of Tallahassee. Ms. Silcox also pointed out that sales have steadily picked up in January and February as more and more school groups come and legislative session gets closer. She expects the locations at the Historic Capitol and new Capitol to see a dramatic increase in sales during February and March.

Mr. Birtman asked if there were any other staff updates. Dr. Robinson pointed out that there was an upcoming membership event on February 28, which he encouraged Board members to attend and spread the word about. Mr. Birtman asked if the membership event invitation could be emailed to the Board members and Dr. Robinson stated that it could and he would do that after the Board meeting. Dr. Robinson also stated that he included a new membership brochure in the Board member materials. The new brochure, which is printed on a rack card, is more colorful and eye catching than the previous brochure, which was printed on a plain piece of paper. Dr. Robinson encouraged Board members to give the rack card to any family or friends that are interested in joining the membership program.

Mr. Birtman asked if staff had ever reached out to be included on the House members' family brochure. Ms. Barton stated that she was not aware if MFH staff had ever done so, but she would check to see. Mr. Birtman stated that he thought that would be a good way to get the families of legislators to visit the museum, since they are often coming from out of town and are looking for things to do.

D. Wrap Up

Mr. Birtman asked if there were any questions before he wrapped up. There were no questions so Mr. Birtman stated that he thought the meeting went well and that Board members should check with Mr. Alderman if they are interested in spreading the word about History Day or becoming judges. Mr. Birtman then invited any Board members in attendance to join him in taking a tour of the Conservation Lab, on the ground floor of the R.A. Gray Building. Mr. Birtman reminded the Board members that they could not discuss Board business on this tour and the tour was for educational purposes only.

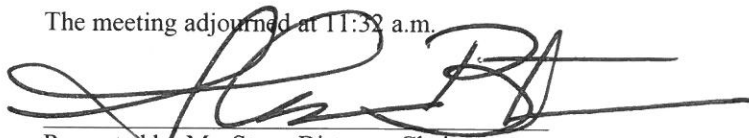
VIII. Public Comment:

IX. Adjourn

Mr. Birtman asked for a motion to adjourn the meeting.

MOTION TO ADJOURN THE MEETING: Ms. Juarez
SECOND: Mr. Collins
MOTION PASSED WITH NO OBJECTION

The meeting adjourned at 11:32 a.m.



Presented by Mr. Steve Birtman, Chair

Dated: June 13, 2019.

