

Friends of the Museums of Florida History, Inc.
MEETING MINUTES
1:30 p.m., Monday, January 30, 2023
Room 307, R.A. Gray Building

Participants

Directors: Ms. Laura Rogers, Chair; Mr. Andrew Collins; Ms. Kathy Guilday; Ms. Lena Juarez; Mr. Stephen Birtman; Mr. Bill Herrle; Mr. Jon Moyle; Ms. Monesia Brown; Dr. Dennis Moore

Staff: Ms. Lisa Barton; Ms. Alissa Lotane; Ms. Kaitlin Silcox; Ms. Superie Palmer; Ms. Danila Coppola

Guests: Mr. Scott Hilton, Wells Fargo Advisors

I. Call to Order

Ms. Rogers, Chair, called the meeting to order at 1:36 p.m.

II. Introduction of Board, Staff, and Guests

Ms. Rogers welcomed all board members, staff members, and guests attending the meeting. Ms. Rogers asked everyone at the meeting in person to introduce themselves to be followed by those on the conference call.

III. Adoption of Agenda

Ms. Rogers requested a motion to adopt the agenda.

MOTION TO PROCEED WITH AGENDA: Ms. Juarez

SECOND: Ms. Guilday

MOTION PASSED WITH NO OBJECTION

IV. Chair's Comments

Ms. Rogers stated that she appreciated staff providing the board meeting documents to the board members in a timely manner. She added that she wished to hold any other comments until later in the meeting.

V. Consent Items

Ms. Rogers inquired if there were questions about any of the consent items. With no questions or comments, Ms. Rogers requested a motion to pass all the consent items on the agenda at once.

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

A. Meeting Minutes from October 3, 2022 quarterly board meeting

B. Financial Report through December 2022

MOTION TO APPROVE THE CONSENT ITEMS: Ms. Guilday

SECOND: Mr. Birtman

MOTION PASSED WITH NO OBJECTION

VI. Business Items

A. Financials

1. Endowments Progress Report

Ms. Rogers introduced Mr. Hilton to discuss the endowments. Mr. Hilton started with a recap of the economic outlook. In 2021 interest rates remained relatively low, having dropped about 0.25% and staying there for all of 2021. Mr. Hilton stated that people started to take note of inflation during the fourth quarter of 2021. Mr. Hilton added that the Federal Reserve stated that the inflation was due to supply chain constraints and this belief was held for about six or seven months. In the first quarter of 2022, interest rates rose. The invasion of Ukraine by Russia caused energy prices to spike, with oil costing about \$130.00 a barrel at its height. There were shortages in labor causing record low employment.

Inflation stayed relatively high, peaking at 9.1%. Currently, inflation is at about 6.5%. The Federal Reserve took a series of rate hikes throughout 2022. Mr. Hilton believes that the Federal Reserve will raise interest rates this week. Mr. Hilton stated that Wells Fargo thinks inflation will drop from its current rate of 6.5% to 3-3.5% by the end of the year. The Federal Reserve's target is 2.5%, but there is a good chance that they will move the goal post due to varying circumstances. Currently, unemployment is at 2.5%, and Mr. Hilton believes it will rise to 5.2% by the end of the year. The US is starting to see a lot of high-profile layoffs. Big companies like Google and Amazon that were hiring rapidly are now cutting back. Mr. Hilton believes that unemployment will continue to increase. The Federal Funds rate went from about 0.25% up to 4.5% and will probably top out at somewhere between 5-5.5%. There is a good chance that the meeting this week will cause a 0.25% increase. Mr. Hilton stated that the rising interest rates have had a big effect on the economy. Housing interest rates have started to decline. Mortgage applications at Wells Fargo have dropped 90% year-over-year in December. Interest rates for a 30-year mortgage went from 3% to 7% during that time. The episodic recession has created a lot of difficulties for industries throughout the US, starting with housing, large commercial lending, and automobiles as consumer spending slows. That results in the interest rate increases to make inflation more manageable. Also, it creates a difficult environment for stocks and bonds. The markets were down last year. For instance S&P's 500 stock index was down 18.1% and S&P's aggregate bond index was down 12.3%. Typically, when there is a weak stock market, bonds would do much better and vice versa. However, this year both performed poorly. The only areas of the market that performed well were some areas related to energy.

Mr. Hilton then discussed each individual endowment. The James Knott Endowment account for the year 2022 is down 17.5%; this account is based heavily in equities. The Charles Knott Endowment was down 15.6%, and the large Cultural Endowment fund was down 1.1%. Mr. Hilton stated that if we were to liquidate at the end of the year some of the CDs would receive less than the amount they were purchased at, but if held to maturity we would be paid principal and interest. Mr. Hilton stated that we are positioned well moving forward. Two-thirds of the investments are in the Cultural Endowment that has staggered maturity with the CDs at \$155,000 each. Currently, we are getting just under \$10,000 in income. This may double over the next 12 months to about \$20,000. For instance, we have CDs coming due in February that are yielding 0.65%. Mr. Hilton thinks that we may be able to reinvest that somewhere at 4.5%, which is about four times the income. The year-to-date numbers have the James Knott fund up 5.7%, the Charles Knott fund up 5.3%, and the Cultural Endowment fund up about 0.3%. Mr. Hilton believes that it will be a volatile market the first six months of 2023. Wells Fargo believes that the Federal Reserve has overtightened and will continue to tighten too much too quickly. They believe the Federal Funds Rate will have to drop in the third and fourth quarter which will cause lower interest rates. The Federal Reserve is focused on the inflation number which has been stubbornly high. Interest rates directly affect the ability to purchase a home or car if you finance. Mr. Hilton opened the floor to questions. Mr. Birtman had three questions. He asked if there was anything from a strategic perspective that the board needed to do to address the uncertainty of the next six months. Mr. Hilton stated that he believed that we are in good shape because we took modest distributions from the accounts last year. We have cash available, and the large Cultural Endowment account has approximately \$15,000 in cash. The second question posed whether or not the board should be proactive as there is speculation surrounding the debt limit, such as the "black swan," or a negative event increase. Mr. Hilton says that there is not any chance that the United States will default on its debt. Mr. Birtman would like to be proactive in the event that something unpredictable were to happen. Finally, Mr. Birtman questioned the purpose of having the Viva Florida fund available when we have not done anything pertaining to Viva Florida in years. Ms. Barton responded that the restricted fund can be used if we have any upgrades for that specific portion of the gallery. The board may explore using those funds to update a permanent exhibit during planning for the reopening of the Museum of Florida History. Mr. Moyle asked how much money was disbursed out of the collective funds for the last fiscal year. Mr. Hilton stated that he'd have to double check and he will get back to Mr. Moyle. With no other questions, Ms. Rogers thanked Mr. Hilton for his presentation.

B. Staff Updates

Ms. Rogers called on the staff to provide any updates. Ms. Barton stated that the Museum is continuing with its programs, cultivating a partnership with the Leon County Public Libraries and holding the Second Saturday programs at local libraries. *History at High Noon* occurred last week in the R.A. Building and, moving forward, it will be held at various partner locations. The *History at High Noon* in March will be held at Mission San Luis. The Museum educators have been busy with outreach programs at the local elementary schools, doing either the *My Florida*, *My Symbols* or the *Survival Florida* program. Currently, they have visited six elementary schools for outreach. The Museum is also working with the Florida Historic Capitol Museum on a special exhibit collaboration for the summer. The Museum's staff is working on three other exhibits for various partners, helping with special exhibits for the Grove Museum, the Union Bank, and the Bureau of Archeological Research headquarters. The Union Bank will go through renovation and the Department of State is assisting in restoring that property. Once complete the Museum of Florida History will assist with an exhibit

about the history of the building. The Museum has two big programs coming up, *Florida History Day* and the *20th of May*. The Museum's TREX program is going very well, there are three exhibits on loan at various museums throughout the state. The Museum is in the process of updating and adding additional TREX exhibits.

Ms. Lotane spoke about the R.A. Gray plaza. The engineers are continuing to test the plaza, and there is water under the underlayment. Ms. Lotane has not received an update about the solution to that issue. The Division of Historical Resources (DHR) will continue to work with Department of Management Services (DMS) to find a solution. Ms. Lotane stated that as soon as she has an update, she'll contact the board members via email. Mr. Birtman inquired about the project manager for the repairs. Ms. Lotane stated she will get back to him. Ms. Lotane stated that there are other efforts being taken throughout this repair project. Ms. Lotane commended Katie on the progress on the Shopify website. Ms. Guilday requested an estimate on the time required to reinstall the exhibits into the galleries, after completion of construction. Ms. Barton explained that there are certain portions of the gallery that cannot be put back in the exact same way, because of the removal process. Ms. Guilday inquired if a portion of the gallery could be open to the public. Ms. Lotane stated that it remains to be seen, because of the water intrusion. Ms. Lotane spoke about the Knott House Museum closure. The fire sprinklers are corroded and DHR is in the process of cleaning out the system. The solution may be to completely upgrade the fire sprinkler system. The system was installed between the late 1980s and early 1990s. This project would be financed through the ARPA funds the Division of Historical Resources received during Covid-19. During the closure, other construction needs were discovered in the Knott House. Management has submitted a request for additional funding to assist with the costs.

Ms. Rogers called on Ms. Coppola. Ms. Coppola spoke about an opportunity to increase interest in membership by offering an incentive through the new Florida History Shop's website. Ms. Coppola is producing informational packets to send to corporations for *Florida History Day* and *20th of May* sponsorships.

Ms. Rogers called on Ms. Silcox to provide any updates about the History Shop. Ms. Silcox started by discussing how the History Shop website is functional and is generating sales. Ms. Silcox has received eight flag orders since the website went live on January 23. Ms. Silcox is in the process of adding new photos to the website and believes the website is about 80% complete. Mr. Birtman asked about the store at the Capitol. She explained that the new Capitol has a wall blocking the entrance to the shop and it has affected sales because the wall has obstructed the view.

VII. Other Business

A. Upcoming events

Ms. Rogers asked if there were any upcoming events worth highlighting that were not discussed. Staff indicated that all upcoming events had been covered.

B. Wrap Up—Summary of Meeting Accomplishments

Ms. Rogers stated that she wished to thank everyone for attending the meeting and encouraged everyone to come to upcoming events and programs. Ms. Lotane stated that she and Ms. Barton were invited to the Capitol to have a discussion with DMS about the back plaza of the new Capitol. DMS is installing pavers that represent Florida symbols and want their general opinion.

VIII. Public Comment

Ms. Rogers opened the floor for questions or comments. There were none. Since there were no questions and no members of the public on the call, Ms. Rogers suggested ending the meeting.

IX. Adjourn

Ms. Rogers asked for a motion to adjourn the meeting.

MOTION TO ADJOURN THE MEETING: Ms. Guilday
SECOND: Mr. Birtman
MOTION PASSED WITH NO OBJECTION

The meeting adjourned at 2:31 p.m.

Ms. Laura Rogers, Chair
Friends of the Museums of Florida History, Inc.

Date

Ms. Lisa Barton, Director
Museum of Florida History

Date

Ms. Alissa Lotane, Director
Division of Historical Resources

Date

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