

Friends of the Museums of Florida History, Inc.
MEETING MINUTES
11:30 a.m., Thursday, November 2, 2023
Room 307, R.A. Gray Building
Tallahassee, Florida

Participants

Directors: Ms. Laura Rogers, Chair; Mr. Stephen Birtman; Mr. Andrew Collins, Treasurer; Ms. Lena Juarez; Dr. Dennis Moore

Staff: Ms. Alissa Lotane, Ms. Lisa Barton, Mr. John Grandage, Ms. Danila Coppola, Ms. Jennafer Henderson, Ms. Kristi Kessler

Guests: Mr. Scott Hilton, Wells Fargo Advisors

I. Call to Order

Ms. Rogers, Chair, called the meeting to order at 11:34 a.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.

III. Adoption of Agenda

Ms. Rogers requested a motion to adopt the agenda.

MOTION TO PROCEED WITH AGENDA: Ms. Juarez

SECOND: Mr. Collins

MOTION PASSED WITHOUT OBJECTION

IV. Chair's Comments

Ms. Rogers thanked the staff for continuing to promote the Museum's programs and supporting the community through the Museum's educational programs. She shared that there were new items in the gift shops and appreciated the staff and Board for sharing all the good works that are offered at the Museum. She commended the Board for being diligent by attending board meetings and supporting the staff members.

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 were provided to the Board in advance via email.

A. Meeting Minutes from June 8, 2023, quarterly Board meeting

B. Meeting Minutes from September 7, 2023, Bylaws committee meeting

C. Financial Report through September 2023

MOTION TO APPROVE THE CONSENT ITEMS: Mr. Birtman
SECOND: Ms. Juarez
MOTION PASSED WITHOUT OBJECTION

VI. Business Items
A. Financials

1. Endowments Update

Ms. Rogers invited Mr. Hilton to discuss the endowments. Mr. Hilton began with a brief overview of the national economy, sharing that inflation last year in June 2022 was a little over 9% and that was the peak. He noted that currently inflation was about 3.7% after the Federal Reserve has raised interest rates. He discussed the possibility of future rate adjustments. Mr. Hilton stated that the overall economy remains strong, but it was a challenging year especially as interest rates rose. Mr. Hilton noted the Cultural Endowment account at the end of September was up 2.7% ending at \$629,659. He shared that in October the last low-yielding CD was earning .35%. That CD was renewed at 5.25% which was fifteen times more interest. In terms of dollars, the previous CD was earning \$524 a year; now the CD is earning \$8,137. He shared that the increase for the Cultural Endowment Fund is positive since it is conservatively managed. Mr. Hilton reminded everyone that CDs are staggered every six months typically at \$155,000 apiece. He pointed out that the higher interest rate has been positive for the Cultural Endowment account. All three accounts at the end of September total \$967,000, of which two-thirds of that amount is from the Cultural Endowment account.

Mr. Hilton discussed the James Knott Endowment, which was at \$200,770 at the end of September, up 4.87% and has performed fairly well. The more conservative Charles Knott Endowment has a higher fixed income component that has not done as well, being only up .83%. Mr. Hilton noted that he expects bonds to rally once the Federal Reserve gives the market an indication that they are not going to raise rates anymore.

Mr. Hilton provided further information about the effect of higher interest rates on the national economy, covering the housing market, real estate, loans for automobiles, the travel and leisure economy, and unemployment. He stated that he feels positive about the economy, but there may be weaknesses that appear after the first of the year.

Discussion ensued regarding the effect of years of lower interest rates and higher energy prices. Mr. Hilton closed his comments by saying that the organization's endowments are well positioned and that there was no need to make any adjustments at the present time. He said rebalancing could occur in December if necessary.

Ms. Rogers then asked Mr. Collins if he saw anything in the future that we would need to know. Mr. Collins responded by reminding the Board that there is a floor on

the value of the Cultural Endowment. He noted there is not really a risk of going below that floor anytime soon. He agreed that December is a good time to rebalance and with Mr. Hilton's other statements. Mr. Collins additionally provided his insight related to current and future baselines related to interest rates.

Ms. Rogers thanked Mr. Collins. Mr. Birtman asked about the budget and income related to the Museum's closure. Mr. Collins responded by stating that reduction of costs made up for a lack of revenue. Mr. Collins said that from a day-to-day operational perspective he knows that the financial picture did not look as grim as one may assume.

Mr. Birtman noted the Board's responsibility to due diligence. He asked if anything has changed that Mr. Collins is concerned about. Ms. Lotane reported the creation of two OPS positions that were originally paid for by CSO and noted this has helped the CSO budget. Ms. Barton discussed that with the Museum being closed for a year, income has dropped significantly. Ms. Barton stated there is no donation box income, but that membership renewals are being made. Additionally, the Museum receives unrestricted contributions occasionally. She noted the TREX program and Florida History Day are self-sustaining. The Knott House endowments are helpful for the Knott House expenses. Ms. Barton noted that expenses have been reduced as we expect a prolonged closure. She noted that the CSO is not spending as much money and the bank accounts are pretty healthy.

Further discussion ensued regarding reduced revenue and the continued closure of the main store. Ms. Barton stated that she is not concerned with our main accounts, but we just have to monitor the budget of Florida's History Shops because the main Museum store has remained closed and revenue has been very low. She discussed how we have decreased expenses with personnel and purchasing.

Ms. Juarez asked when the main store would be opening again. Ms. Lotane stated that there are no plans at this time, but noted plans for future renovation.

B. Recommend Changes to Bylaws

Ms. Rogers began the discussion of the proposed changes to the Board's bylaws. She acknowledged that several of the Board members and staff have been involved in the discussion. She directed meeting attendees to the Bylaws included in the meeting materials. She pointed out the reasoning for the updates and walked through each section of the document where revisions are proposed. Ms. Rogers then thanked the Bylaws Committee and asked if there were any other areas that needed to be addressed.

Mr. Birtman stated that he did not have any concerns about the revisions and thought the changes were pretty easy to understand. He asked her if there had been any major changes since a draft of the revisions were provided earlier in the fall. Ms. Coppola replied that there had not been, and Mr. Birtman affirmed that he was supportive of the changes.

Ms. Rogers explained that these changes helped with the timing of when the Board actually meets and helps keeps us up to date. She explained that the Bylaws is a working document and that perhaps five years from now we might need to look again at making some adjustments. She noted at this time there was no further discussion on this topic.

MOTION TO APPROVE CHANGES TO BYLAWS: Mr. Birtman
SECOND: Mr. Collins
MOTION PASSED WITHOUT OBJECTION

C. & D. Directors' Comments and Other Staff Updates

VII. Other Business

VIII. Public Comment

Ms. Rogers thanked the Museum staff for all of the work to help the Museum. Ms. Rogers opened the floor for any further questions or comments. There were none.

IX. Adjourn

Since there were no questions and no members of the public on the call, Ms. Rogers suggested ending the meeting.

The meeting ended at 12:30 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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