Culture & Heritage Commission  
Board of Commissioners Meeting  
January 23rd, 2018  
6:00 PM  
Museum of York County  
Approved: February 27th, 2018

Person Presiding: James Duncan  
Members Present: Nancy Craig, Dale Dove, Craig Lentz, Jeff Lyon, Penny Sheppard  
Members Absent: None  
Ex Officio Members Present: Rick Chacon, Carolyn Mendenhall  
Ex Officio Members Absent: None  
Staff Present: Carey Tilley, Sarah Lewis, Windy Cole, Joe Mester  
Others: Kevin Madden, Patti Hatch, Emily Sobczak

Call to Order  
In the absence of the Chair, the meeting was called to order at 6:15 PM by Vice-Chair Dale Dove.

Dale Dove called for a motion to approve the draft minutes of the December 19th, 2017 Special Called Meeting as presented; Jeff Lyon so moved; Penny Sheppard seconded; no discussion followed; a vote was taken and the minutes were approved unanimously.

Calendar Review
- Tilley shared that the staff are preparing for the Institutional Plan review scheduled for February and noted that they will focus on sharing highlights, rather than going through the plan point-by-point, in the interest of covering everything in a timely manner. Tilley asked that the Commission review the plan and bring any specific questions they may have to the meeting as the entire senior management team will be there to answer questions. Dove asked that the Institutional Plan and a reminder be sent out prior to the meeting so that the Commission has time to review the plan and prepare questions.
- Tilley asked Kevin Madden, York County Treasurer/CFO, about the timeline for the budgeting process. Madden noted that the timeline would be very similar to last year and that he would be sending that out soon. Tilley stated that there should be a Finance Committee meeting once the budgeting process begins.

Reports and Presentations
- Director’s Report
  - Tilley shared that his report was shorter for this meeting after a short month with holidays and inclement weather closings. He noted that attendance was up overall with HB, MSCM, and Mc Celvey being down and MYCO being up. Membership is at another all-time high with 1,550 active memberships. Tilley also gave a brief update on the Master Plan. Staff met with the Master Planners on Tuesday and they are working on pulling together the final product after taking into consideration staff comments. The Brick House A/E is underway and Liollio will be providing hard cost estimates by February 1st.

[Note: See full copy of Director’s report attached to these minutes as Addendum “A”.]
• Audit Presentation – Greene Finney, LLP
  o Emily Sobczak with Greene Finney, LLP presented the results of the FYE 2017 audit. She shared that the result of the audit was an unmodified opinion, which is the best result possible. Other highlights from her presentation include that the CHC Fund Balance is at $2.3 Million with an increase of $268k from the previous year, unassigned fund balance equals about 50% of 2018 budgeted expenditures and is a healthy fund balance, and that the CHC has no debt.
  o Sobczak, Madden and Tilley answered questions from the Commission, primarily related to the scale of one of the graphs. Madden and Tilley also shared that next year there will be an additional $200k freed up when a loan from the County is paid off this fiscal year. Sobczak noted that the 990 is nearly complete and a final draft should be ready for review soon. Tilley thanked Madden and the Finance staff for the work they do.

[Note: See full copy of the audit presentation attached to these minutes as Addendum “B”.]

• Friends of Historic Brattonsville – Patti Hatch
  o Friends of Historic Brattonsville President Patti Hatch updated the Commission on the Friends activities. This included sharing a list of items funded by the Friends, most recently two historic preservation internships at HB for the summer of 2018. She also shared that the Friends have primarily been providing concessions at HB special events in recent years, averaging over 300 hours per day per event, but that they are looking towards expanding the support work that they do at HB beyond concessions. She invited the commissioners to come out and volunteer with the Friends and to attend any Friends meetings. Tilley thanked the Friends for their hard work and noted the positive impact that their concessions have on the visitor experience at special events. Discussion followed about the items the Friends have provided, including the split rail fence.

[Note: Chair James Duncan arrived during Patti’s presentation and presided over the remainder of the meeting.]

Committee Reports
• Collections Committee
  o Committee Chair Craig Lentz shared that there was no report and that the next Collections Committee meeting would take place on February 8th.

• Finance Committee
  o Committee chair, Penny Sheppard, shared that the Finance Committee had planned to meet the previous week to go over the 990; however, it was not ready. The extension until May has been granted. Once the 990 is ready, a Finance Committee meeting will be scheduled to go over the 990. Tilley noted that staff is working on answering questions for the 990 related to artifacts, etc. and that it should be ready soon after we provide that information to Greene Finney.
• Governance Committee
  o Dale Dove shared that the Governance Committee had met just prior to this meeting and that the one issue that they covered dealt with an event currently scheduled for May 19th, the Hightower Music Festival. Dove gave a brief description of the event, noting that it seemed like a good opportunity for the museum, and shared that staff was interested in having alcohol, primarily beer, available at the event. Since the event would take place on county property, according to the county policy, it will need approval of the County Attorney, County Manager, and likely County Council. Dove noted that he and Jeff Lyon were at the Governance Committee meeting and that Jeff would share their recommendation.
  o Prior to Jeff Lyon reading their recommendation, Nancy Craig asked about the motion made by the former Commission about not having alcohol at events and what impact that had on this issue. Discussion followed with Tilley stating that he was not aware that this was already in the past minutes. He had concerns about alcohol served at events but did not want to assume the responsibility of the Commission in making policy on Alcohol. He stated that it had been the position of the former commission that they did not want to do alcohol at events. Duncan noted that unless it is a bylaw, the current commission can vote to have an exception on certain things. Dove stated that procedurally that makes sense and that he doesn’t think that one Commission can pass something that restricts something for another Commission unless it is a bylaw.
  o Lyon noted that the City of Rock Hill regularly has alcohol at their outdoor events and that this is becoming a trend now and would be fitting for a music festival. Penny Sheppard noted that food and beer trucks generally pay to take part in these types of events.
  o Tilley stated that the staff has done great work on looking into the requirements. He noted that the question still remains about the county ordinance and whether this is a good idea. Tilley is still reviewing the event and whether there is still enough time to execute it. Tilley stated that if the Commission is anti-alcohol he needs to know that now, because if we proceed, it will likely end up before the Council and they will want to know where the Commission stands. Tilley noted that it would be problematic to proceed if the Commission objects to it and that it may also be problematic with regard to the ordinance as well as with what is in the best interest of the organization from a programmatic standpoint.

Jeff Lyon moved to authorize the Executive Director to authorize his team to pursue allowing alcohol to be served at this event in compliance with the county ordinance; Dale Dove seconded; discussion followed regarding the ordinance and the stipulations that have to be met for the exception in the ordinance (the ordinance was read by Carey Tilley for clarification), the current plan for the sale of alcohol at this event, the current tight timeline for executing this event in May and the possibility of pushing it to the fall, bringing in food and beer trucks as a possibility for meeting the tight timeline this year, the draw this would have for a new audience, mission-relatedness for programming, and whether this is an annual event, Nancy Craig stated her support and noted that if Hightower Hall is going to be used for fundraising and rentals that it should not be tied to the mission of Brattonsville, Carolyn Mendenhall agreed and discussion followed about the “On the Lawn” event that was held at Hightower previously and whether it was considered a program or fundraiser; Dale Dove suggested that the discussion of Hightower would be a worthy topic to put on the agenda for the next meeting or if it’s financial it could come through the Finance Committee but for this meeting we want to see
about giving permission for this authorization to be added to the things that the Executive Director can approve or disapprove, Dove further clarified that if staff choose to do it for this program then they have the Commission’s endorsement to do so, after James Duncan raised the issue, Dove formally offered that staff have the go-ahead to pursue this course for future events as an amendment to the original motion.

The amended motion, as made by Dale Dove, is to authorize the Executive Director to authorize his team to pursue allowing alcohol to be served at this event and future events in compliance with the county ordinance; the amended motion was seconded by Craig Lentz, further discussion took place on ways to reduce the liability; a vote was taken and the motion passed unanimously.

Old Business

- Purchasing Process
  - Tilley noted that he had met with the County Manager and the County Treasurer/CFO (who is over Purchasing) earlier in the day. Tilley feels that the meeting went well and that some of the recent issues with Purchasing will be addressed with a new target turnaround time of two weeks (for the release of Requests for Bids, Proposals, & Qualifications). This should improve the timeline for our projects.

New Business

- Preservation Internships at Historic Brattonsville
  - Joe Mester shared that last year the HB Friends had supported a preservation internship. This year, they are supporting two preservation internships. Mester noted that these interns would be working on the restoration of the slave house and the dairy. The new preservation/restoration specialist will be overseeing and working with the interns on these projects. Any extra time will be spent documenting the McGill Barn, which is used as the hub for the historic farming program. Tilley shared the motion that was presented last year and based on that motion Penny Sheppard made the motion below.

Penny Sheppard moved to approve two internships for the Historic Brattonsville preservation program based on the receipt of authorized external funding from the Friends of Historic Brattonsville and in future years as funds are available from external sources; Jeff Lyon seconded; discussion followed; a vote was taken and the motion passed unanimously.

- Use of Capital Project Grant Funds Awarded from the Foundation for the Carolinas and Potential Use of Non-recurring Building Projects Fund for A/E work at Historic Brattonsville
  - Tilley wants to ensure that there is enough money to finish the A/E work on the Colonel Bratton House and the Homestead. This work needs to be completed soon, having a structural engineer tell us what needs to be done before moving forward. There is currently an RFQ out that will be opened on the 29th at noon. A respondent will be selected and a contract will be negotiated. Because the amount of work that needs to be done between the two buildings is higher than what was initially anticipated, the amount currently approved for this project may not be enough to cover the cost. Tilley noted that there are several projects that are about to finish up at HB that came in under budget. He would like the savings from those projects to be consolidated into the accounts for the A/E work on the Colonel Bratton House and the Homestead, making those funds available to use for the additional costs for the A/E work. Tilley would also
like to free up the $70,000 remaining in the Non-Recurring Building Projects Fund for this project if necessary.

- Discussion followed regarding the procedure for acquiring funds for specific projects and how that procedure impacts the timeline of these projects. Sheppard and Craig expressed concern with using the Non-Recurring Building Projects Fund for this as it defeats the purpose of having it available for emergency expenses that come up. Sheppard suggested setting up an equity account using money from fund balance that could cover short falls on capital projects in the future.

Penny Sheppard moved to establish a fund for the purpose of covering budget shortfalls for restoration projects at Historic Brattonsville in the amount of $200,000 to be transferred from fund balance and used when Foundation for the Carolinas funds are not readily available for a needed project; Nancy Craig seconded; discussion followed clarifying the process for using funds from this account; a vote was taken and the motion passed unanimously.

Penny Sheppard moved to authorize the Executive Director to use the new account for the Homestead and Colonel Bratton House A/E; Craig Lentz seconded; no discussion followed; a vote was taken and the motion passed unanimously.

Penny Sheppard moved to adjourn; Craig Lentz seconded; no discussion followed; a vote was taken, the motion passed unanimously and the meeting was adjourned.

Prepared by: Sarah Lewis
Submitted by: Penny Sheppard, Secretary/Treasurer
Addendum A

Culture and Heritage Museums
Director's Report
December 19th, 2017

Mission: to communicate and preserve the natural and cultural histories of the Carolina Piedmont, inspiring a lifetime of learning.

CHC Commissioners,

The time since our last meeting has been somewhat compacted because of the holidays and weather. Still progress continues on our various projects and overall growth in attendance and membership. The Pleistocene Hall planning project is continuing according to schedule. At Historic Brattonsville, the Master Plan is winding down following a trip to Charleston to meet with our consultants. We have reviewed Stantec’s latest draft and they are incorporating our comments into the final documents. The first phase of the Brick House architectural and engineering work is also nearing completion with the final document including hard cost estimates expected before February 1st. Responses to the requests for Qualifications for architectural and engineering work on the Homestead and Colonel Bratton House will be opened next Tuesday. The Colonel Bratton House exterior painting is waiting on a window of warmer weather. York County purchasing has required another quote for the roofing repair to the Hightower Barn.

Overall visitation at our four sites remains up slightly for the year. Although three of the sites are behind last year’s pace, the strong growth at the Museum of York County continues to keep us ahead of FYE 2017’s attendance numbers. Although not reflected in the numbers below an additional 287 visitors came to MYCO for “Come Draw with Me” and the opening reception for the “Piedmont Perspectives” art exhibition this past Saturday. At Historic Brattonsville, 226 people came out on January 13th on a cold and windy day to witness the historic demonstrations presented at “Hog Butchering Day”. And the Southern Sound Series kicked off at McCelvey with around 200 people in attendance for Nikki Lane. Our next concert featuring the Steel Wheels is scheduled for February 17th.

YTD Visitation Totals through December 31st

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>MYCO</th>
<th>HB</th>
<th>MSCM</th>
<th>McCelvey</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD 2017-2018</td>
<td>49,675</td>
<td>19,905</td>
<td>13,863</td>
<td>14,521</td>
<td>1,386</td>
</tr>
<tr>
<td>YTD 2016-2017</td>
<td>49,319</td>
<td>17,844</td>
<td>14,996</td>
<td>15,071</td>
<td>1,408</td>
</tr>
<tr>
<td>Change from Previous Year</td>
<td>+356</td>
<td>+2,061</td>
<td>-1,133</td>
<td>-550</td>
<td>-22</td>
</tr>
<tr>
<td>% Change from Prev. Year</td>
<td>+0.72%</td>
<td>+11.550%</td>
<td>-7.555%</td>
<td>-3.649%</td>
<td>-1.56%</td>
</tr>
<tr>
<td>Avg. of last 3 yrs.</td>
<td>46,463</td>
<td>16,462</td>
<td>15,155</td>
<td>13,565</td>
<td>1,280</td>
</tr>
<tr>
<td>Change from Avg.</td>
<td>+3,212</td>
<td>+3,443</td>
<td>-1,292</td>
<td>+956</td>
<td>+106</td>
</tr>
<tr>
<td>% Change from Avg.</td>
<td>+6.91%</td>
<td>+20.91%</td>
<td>-8.53%</td>
<td>+7.047%</td>
<td>+8.28%</td>
</tr>
<tr>
<td>% Change since 2012</td>
<td>+28.32%</td>
<td>+75.53%</td>
<td>-15.57%</td>
<td>+46.04%</td>
<td>+37.23%</td>
</tr>
</tbody>
</table>
Membership once again set a new all-time record with a total of 1,550 active memberships at the end of December. This total and the income generated through memberships continue a pattern of strong growth over the past few years.

### YTD Membership Totals through December 31st

<table>
<thead>
<tr>
<th></th>
<th>Total Memberships at the end of Month</th>
<th>Total Membership Income</th>
<th>General Membership Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2018</td>
<td>1,550</td>
<td>$56,150.00</td>
<td>$51,560.00</td>
</tr>
<tr>
<td>2016-2017</td>
<td>1,519</td>
<td>$49,468.50</td>
<td>$46,148.50</td>
</tr>
<tr>
<td>Change From Prev. Year</td>
<td>31</td>
<td>+$6,681.50</td>
<td>+$5,411.50</td>
</tr>
<tr>
<td>% Change from Prev. Year</td>
<td>+2.04%</td>
<td>+13.51%</td>
<td>+11.73%</td>
</tr>
<tr>
<td>Avg. of Prev. 3 yrs.</td>
<td>1,365</td>
<td>$43,043.56</td>
<td>$37,538.56</td>
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<tr>
<td>Change from Avg.</td>
<td>+185</td>
<td>+$13,106.44</td>
<td>+$14,021.44</td>
</tr>
<tr>
<td>% Change from Avg.</td>
<td>+13.553%</td>
<td>+30.449%</td>
<td>+37.35%</td>
</tr>
<tr>
<td>% Change from 2012</td>
<td>+25.61%</td>
<td>+67.30%</td>
<td>+252.91%</td>
</tr>
</tbody>
</table>

I would like to thank you once again for your continued support of the mission of the Culture and Heritage Museums. A list of recent and upcoming events follows.

Sincerely,

(Submitted electronically)

Carey L. Tilley
Executive Director
Recent and Upcoming Events

Recent Programs and Events (December 1st through January 23rd)

- Dec. 2nd & 9th @ HB  Christmas Candlelight Tours
- December 6th @ MSCM  Wee Wednesdays (Weekly through May)
- Dec. 9th & 10th @ McCellv  Historical Center on Tour of Homes
- Dec. 24th & 25th @ All Sites  Christmas Eve & Christmas: All CHM Sites Closed
- Dec. 26th - 30th @ MSCM  Winter Wonderland
- January 1st @ All Sites  New Year’s Day: All CHM Sites Closed
- January 6th @ MYCO  Wild Wonder Saturday
- January 9th @ MSCM  Baby & Me (Repeats on Tuesdays through the end of January)
- January 9th @ MYCO  Carolina Skygazers Astronomy Club (Monthly on 2nd Tuesday)
- January 13th @ HB  Hog Butchering Day
- January 13th @ HC  Historical Center Open (Monthly on 2nd Saturday)
- Jan. 16th & 17th @ MYCO  Home School Days: Animal Adventures
- January 18th @ MYCO  Teen Science Café
- January 19th @ MSCM  Cardboard City
- January 20th @ HB  Walt Schrader Trails open for Horseback Riding (Monthly on 3rd Sat.)
- January 20th @ MYCO  Catawba River Art Guild Exhibit Opens in Springs Gallery
- January 18th @ MYCO  Catawba River Art Guild Exhibit Opening Reception
- January 20th @ MYCO  Come Draw with Me
- January 20th @ McCellv  Southern Sound Series: Nikki Lane
- January 23rd @ MYCO  Carolina Piedmont Seminar Series

Upcoming Programs and Events (January 24th through February 28th)

- January 24th @ MSCM  Wee Wednesdays (Weekly through May)
- January 26th @ MSCM  Cardboard City
- January 27th @ MYCO  Wild Wonder Saturday
- February 3rd @ HB  By Way of the Back Door (Each Saturday in February)
- Feb. 10th & 17th @ MYCO  Wild Wonder Saturday
- February 13th @ MYCO  Carolina Skygazers Astronomy Club (Monthly on 2nd Tuesday)
- February 15th @ MYCO  Teen Science Café
- February 16th @ MSCM  Parent’s Night Out
- February 17th @ McCellv  Southern Sound Series: The Steel Wheels
- February 17th @ HB  Walt Schrader Trails open for Horseback Riding (Monthly on 3rd Sat.)
- February 17th @ MYCO  Great Backyard Bird Count
- February 20th @ MYCO  Carolina Piedmont Seminar Series
- Feb. 20th & 21st @ MYCO  Homeschool Days
- February 23rd @ MYCO  Observing with a Mid-Sized Telescope
- February 24th @ MYCO  Telescope Clinic & Fifty Things to See with a Telescope
Financial Audit Presentation
Year Ended June 30, 2017

2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

OPINION

➢ The Commission’s responsibility:
➢ Maintain effective internal controls
   ➢ There are limitations on internal controls.
   ➢ Regular risk assessment is important, including assessing the risk of fraud.
2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

The Risk of Fraud

- Need
- Rationalization
- Opportunity

The Fraud Triangle

2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

OPINION

- The Commission’s responsibility:
  - Financial Statements
  - Accuracy, completeness, and propriety of balances, amounts, and disclosures
2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

➤ GF&H responsibility:
➤ Opinion – reasonable assurance that financial statements are materially correct
➤ Does not address the financial condition of the Commission
➤ Purpose of the audit is not to detect fraud. We cannot take responsibility for finding fraud, if it existed.
➤ Issued unmodified opinion

2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

- General Fund
  − Total fund balance of $2,325k
  − Increase of $268k from the prior year
  − Non-spendable fund balance of $75k for prepaids and inventory
  − Restricted fund balance of $28k for cultural programs
  − Assigned fund balance of $61k for capital outlay
  − Unassigned fund balance of $2,161k
2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

- General Fund
  - Unassigned fund balance is $2,161k
  - Represents 50% of 2018 budgeted expenditures of $4,336k

2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

- Major Reasons To Maintain An Adequate Fund Balance:
  - Significant emergencies and unanticipated expenditures
  - Flexibility for discretionary funding needs
  - To cover potential shortfalls that may come from the County and other primary funding sources
  - Extremely important given the uncertain economic times
2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

General Fund Revenues:
- $4.0M for 2017:
  - $3.0M in County appropriations
  - 75% of total revenues
  - $0.8M in program revenues (includes $232k in grants from the County and others)
  - $0.2M in other support
- $0.3M (9%) increase from 2016
  - Primarily due to higher actual County appropriations of $0.1M and higher Program revenues of $0.2M
- Revenues were under budget $0.9M
  - Due to grant being budgeted for in FY 17, but majority of funds will not be expended or received until FY 18

2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

General Fund Expenditures:
- $3.7M for 2017:
  - $3.7M in operations and programs
  - $73k in capital outlay
- $0.5M (15%) increase from 2016
  - Primarily due to higher operational cost such as salaries and benefits in addition to higher grant expenditures
- $1.3M (26%) under budget
  - Primarily due to Carolina Foundation Grant Expenses of approximately $0.8M related to the grant mentioned on the general fund revenues slide.
2017 FINANCIAL AUDIT  
CULTURE AND HERITAGE COMMISSION

**Other Items of Note:**
- The Commission has no debt
- Total capital assets were $816k at 6/30/17 – decrease of $30k from 6/30/16:
  - Items purchased for $90k
  - Depreciation expense of $119k
- The majority of the Commission’s facilities and equipment are owned and maintained by York County and are reported in the County’s financial statements
- Net Pension Liability - $3.5M (increase of $0.5M from FY 16)

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2017 FINANCIAL AUDIT  
CULTURE AND HERITAGE COMMISSION

**Other Post Employment Benefits (OPEB):**
- The Commission, in conjunction with York County, sponsors a plan to provide health insurance to eligible retirees
- GASB #45 requires governments to recognize the cost of providing OPEB over the active service life of its employees
- GASB #45 does not REQUIRE governments to fund its annual required contributions (ARC), but any portion that is not funded is required to be recorded as a liability on the Government-Wide (GASB 34) Statements (not the General Fund)
- The Commission amended its OPEB plan during 2015, capping contributions to $675/month (pre-65 retirees) and $350/month (post-65 retirees), along with other changes
- The liability as of 6/30/17 is $234k
2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

AUDITING/ACCOUNTING UPDATE:

- Future Significant Changes in Accounting Principles:
  - GASB #75 - Other Post Employment Benefit ("OPEB") liabilities (primarily health insurance for retirees) associated with the Commission's health plan will need to be recognized in a manner similar to the new pension accounting. The Commission will need to recognize a net OPEB liability for any unfunded OPEB benefits earned beginning in FY 2018. Currently this amount is expected to be material, but the exact amount has not been determined.

2017 FINANCIAL AUDIT
CULTURE AND HERITAGE COMMISSION

Compliance

- No findings, significant deficiencies, or material weaknesses were noted

Management Letter

- Required communications to management and those charged with governance