The slides are posted separately.

David Farnham, president, called the meeting to order at 7:05 p.m. He announced that there would be a short business meeting as required by our bylaws followed by three presentations illustrating what the Society is doing.

Secretary’s Report

Suzanne Farnham, secretary, noted that the minutes for the 2018 annual meeting were approved by the board so we would dispense with the reading of the minutes.

Minutes for the annual meeting and monthly board meetings are posted online at the Society website. Printed copies were available on the table.

Members of the Society and community are urged to attend any board meetings; the calendar is posted on the Society website.

Other Society records are posted online and may be inspected at the Falmouth Heritage Museum.

The Society currently has 100 members plus two corporate sponsors. Our membership has been stable. Members “pending renewal” can be counted on to renew their memberships. Several long-term members passed away during the past year but the Society has gained new members.

Nominations and Election

David reported that Sheri Fistal and Fred Howe, two of our most senior and experienced board members, were “retiring” at this meeting. Their decisions were made recently and there hasn’t been time to canvass for replacements.

There being no additional nominations from the floor, the president called for a vote on the proposed slate of officers and directors. The membership voted unanimously in favor of the proposed slate.
Treasurer’s Report

David, as interim treasurer, presented the Society’s financial position. He noted that sale of merchandise is a small activity and the Society does not track its inventory with the precision of, say, L.L. Bean. It has been a while since a full inventory was conducted. Moreover, the Society tracks value by sale price rather than actual cost of goods. Absent strict accounting, the Society’s modest inventory of merchandise is not included in assets reported to the Internal Revenue Service. They are listed here after total assets (which were reported on our Form 990).

He added that the Society recently completed a complete transaction-by-transaction review of its accounts going back to October 2014. The good news is that we now have high confidence in the integrity of our financial records. The bad news is that we now have five years of finances ready for auditing. Volunteers for the audit committee are needed. It should take no more than an afternoon to complete.

Displaying Fiscal Year 2018-19 income and expense, the Society took in $15,778 (including a $9,000 withdrawal from savings) and spent $19,151. Expenses were $3,002 over budget. The July 2019 Treasurer’s Report details the overages. The chief culprits were maintenance and utilities.

He presented the Fiscal Year 2019-20 budget adopted by the Board of Directors. There had been three proposals on the table. The Board reluctantly chose the most austere. The reasons and consequences are covered in the President’s remarks. The full package of budget proposals is posted on the Society website under the October 2019 Board Meeting; a printed copy was available on the table.

David called for a vote to accept the Board-approved budget for FY19-20. The membership voted unanimously to accept the budget.

President’s Report

David began with a look at the Society since 2014. He observed that our accomplishments make us look pretty good: a small but sturdy nonprofit making slow but steady progress.
He noted that many of the members present had witnessed the turmoil that ensued when the Society lost members, volunteers and leaders during 2014-16. He thanked those who were there for sticking with the Society.

He added that continuity on the board is vital to the health of a nonprofit like the Society. We continue to rebound and are gaining traction on the strategic goals set four years ago.

He presented his personal “report card” of the Society’s health with red-yellow-green symbols for conditions and trends. Under condition, green means the Society is doing well, yellow means we’re getting by and need to do more, and red means we’re in trouble. Two items were red (covered in more detail later in the report). Under trends, green means we’re improving and yellow means we’re holding steady. There’s no red (meaning “in decline”). Moving on to where the Society is now, the key point is we are a town historical society doing what we are supposed to do. Some of this work is covered in the presentations following the business meeting.

The Society’s problem is the gap between:

- What we have the resources to do,
- What we are actually doing, &
- What we should be doing.

The Society has been tapping its savings. Many volunteers are doing two or three jobs. This is not sustainable.

The Society must grow to be healthy. We must grow our income—primarily from donations—by about $15,000 annually. We must grow our membership. More members translates into more volunteers needed to spread the current load and do the things expected of us.

David presented a list of volunteer vacancies and observed there is something for just about every talent imaginable.

He then discussed the first red item: **Fundraising**.

He began by explaining why the Society has not been more aggressive in soliciting funds from the business and philanthropic communities. A nonprofit pursuing
such support can expect close scrutiny and, until recently, the Society’s financial books wouldn’t pass muster.

Financial administration is a “make or break” activity for a nonprofit. During the years in which the Society experienced high turnover among its volunteers, people inexperienced in bookkeeping were tending the ledgers. They tried hard but, understandably, made mistakes. The extent of the problem became evident in 2017. Making matters worse, a nonprofit tax filing (the infamous Form 990) requires that the previous four years of income and expenses be included in a return. Without clean ledgers, the Society couldn’t file and the IRS suspended our non-profit status.

Earlier this year, we completed the transaction-by-transaction review mentioned in the Treasurer’s Report. Every check, every deposit, every bill, every account going back to 2014. It took hundreds of hours of volunteer time.

The problems were all due to inexperienced bookkeepers. We accounted for every last nickel. Our ledgers are now immaculate back to the day when Fred Howe stepped down as Treasurer (Fred was meticulous in his bookkeeping).

In May we submitted four years of returns to the IRS (including one amended return which inadvertently mixed data from different tax years). In August we submitted the return for the tax year ending in June. We hope to have our tax-exempt status restored soon. Once it is, our financials can now withstand close scrutiny and reflect the work we do in support of our community.

David next covered the second red item: Expenses.

The Society has been deficit spending for several years by tapping savings. We can’t keep that up. Until we are able to develop and sustain additional sources of income, we must economize.

The reason we’ve been spending beyond our means is simple. Since opening the Falmouth Heritage Museum, we’ve faced all the costs of a homeowner. Worse, the owner of a 19th century “fixer-upper.” Worse yet, a 19th century “fixer-upper” that is a public accommodation. For example, utilities and maintenance (which includes plowing) were two-thirds of our expenses last year. Those costs skyrocket in cold months.
One way to reduce costs is to shut down the Museum in winter. This is not a decision taken lightly. The Board was so conflicted on this issue, it took three months for us decide it was necessary. Visits to the Museum are growing. This seems like an awful time to shutter the building for half the year, but bankruptcy is even less attractive.

There is also the issue of safety. Many of our visitors are of an age when slipping and falling can be serious. We’ve worked very hard to keep the driveway and steps to the Museum cleared and sanded. Last winter we had one ambulance call and lots of falls. We now have more snow days than Falmouth Schools because the trip from your car into the Museum is often treacherous.

The Board has decided to shut down the Museum in November. We’ll turn off the heat and water. We’ll leave the electricity, phone and alarm on. We won’t plow. Weather permitting, we’ll check on the building. We’ll re-open the Museum at the end of April.

David stressed that the key point is we’re shutting the Museum, NOT the Society. A growing volume of our work now takes place online. We hope to host events this winter; just not at the Museum.

David concluded his report by observing that—during the next three presentations—the membership would get a sampling of the fine work the Society is doing to preserve the heritage of our town and make it accessible to the community.

All of this is happening thanks to the dedication of our incredible team of volunteers. They’ve accomplished more than anyone thought was possible.

To some degree, the Society is a victim of its own success. To keep it up, we need to grow. We need to grow our income. We need to grow our pool of members and volunteers. He entreated the membership: Please help us do that.

There being no new business, the business portion of the annual meeting was adjourned at 7:45.

Respectfully submitted,
Suzanne Howe Farnham
Secretary
The business portion of the meeting was followed by three presentations illustrating what the Society is doing to preserve the heritage of our town and make it accessible to the community. The slides for the presentations are posted separately.

**Tidewater Farm—Case Study in Researching Old Homes Supporting Historic Preservation in Falmouth**  
Betsy Jo Whitcomb & Sue Farnham

The presentation covered the Society’s role in town discussions about preservation of the early 19\textsuperscript{th} century farmhouse and barn on property recently acquired by the town. To support the town council’s deliberations about the future of the buildings, the Society prepared a 14 page paper detailing the 385 year history of the land, buildings and people who lived there. The presentation examined how resources detailing land history, family histories, and local history were integrated to tell the story of Tidewater Farm as well as some surprises revealed during the research. The paper is also posted separately.

**FHS Collections-- Improving Community Access to Historical Materials**  
Ron Scorsone & Erin Cadigan

The presentation covered:

- Improvements to the Museum’s exterior including the steps and ramp, lighting, landscaping, and the new sign.
- Improvements to the Museum’s interior including rearrangement of the collections area and culling the collections to make better use of available space.
- Building the digital catalog that will make our collections accessible online.
- Building digital research guides that will assist members of the community seeking more information about Falmouth online.

Town historical societies have become the “go to” resource for information about a town’s past. We have the knowledge, documents, artifacts & tools.
Other town societies are making similar improvements as we all strive to serve our communities of students & teachers, property owners & local businesses, family history researchers, and new & prospective residents.

**A Marriage Made in Hell Boston—Celebrating Maine’s Bicentennial**
David Farnham

Maine celebrates its “emancipation from Massachusetts” on March 15, 2020. This raises the question, “How did Maine come to be ‘enslaved’ by Massachusetts in the first place?” The presentation was a lighthearted look at how events in England and Massachusetts Bay Colony affected Maine up until 1691.