

**DRAFT – Meeting Minutes of the
Finance Committee of the
Board of Directors of the
Arizona Historical Society**

September 19, 2023

Mission: Connecting people through the power of Arizona's history.

Minutes

- 1. Call to Order** – By Committee Vice Chair Gene Kunde at 9:03am.
- 2. Roll Call** – Gene Kunde
 - a. Present – Sandra Navarrete, Richard Powers
 - b. Board Members – Linda Whitaker
 - c. Staff – David Breeckner, Kyle Morey, Melba Davis, Vincent Bradley
- 3. Minutes** – Discussion and action, if any, to approve the draft Minutes of the July 18, 2023 Finance Committee meeting.
 - a. Motion to approve minutes as submitted by Richard Powers and seconded by Sandra Navarrete; unanimously approved.
- 4. Call to the Public** – Gene Kunde
 - a. No members of the public present.
- 5. AHS Financial Overview** – David Breeckner
 - a. Central Services Bureau (CSB) Update
 - i. Due to a lack of materials to present, the Finance Committee did not meet in August. Arizona Financial Information System (AFIS) did not close out July and August reporting periods until September 6, delaying access to final data.
 - ii. AHS now has an executed ISA with CSB which includes production of monthly financial reports.
 - iii. Signature authority with CSB was delayed in August. AHS worked with alternate State agencies to authorize Melba Davis to serve as acting signature authority to approve invoices; this was made possible through recent updates to the change to AZPerforms from past reporting structures. CSB will retain signature authority to provide secondary support, but has a 5-day turnaround time. The future CFO will also have signature authority.

- iv. Upcoming work will focus on finalizing the reallocation of AHS' investment funds (reserves) to align with the State Board's vote in September 2022.
- b. Review of monthly financial reports.
 - i. The first two months were reviewed, but the early reporting period makes consideration of the future FY24 close difficult. David Breeckner identified expenses and revenues that are regularly occurring or clustered.
 - ii. Gene Kunde asked for clarification on a reported deficit in the final totals of the "Original Budgeted Amount". David Breeckner answered that this represents both the approved operating deficit for FY24 as well as a further update based on an assumed no-change from the FY24 Crosswalk Adjustment which reduced anticipated appropriations from \$3,214,700 to \$3,045,800.
 - iii. Gene Kunde identified a discrepancy in the "Original Budgeted Amount" column of the submitted reports from the approved AHS FY24 budget. David Breeckner confirmed this discrepancy and will follow up with CSB.
 - iv. Melba Davis added that payments/revenue posted after the reporting period for that month would not be reflected in the monthly report.
 - v. Linda Whitaker asked about the status of payments to Douglas Historical Society for their stewardship and management of the Douglas Williams House. Melba Davis answered that the first two quarterly payments for FY24 have been issued. The quarterly payment has been increased from its \$1,250 sum from 30 years prior to \$1,850.

6. AHS FY25 budget – David Breeckner

- a. The September 1 submission to OSPB was successfully submitted. David Breeckner reviewed the contents of the full submission packet, as well as the primary submission documents provided to the Finance Committee.
 - i. AHS has since been contacted by OSPB with follow-up questions. AHS is preparing its response.
 - ii. AHS will apply the language from the OSPB submission, along with language from the FY21-26 Strategic Plan and 2023 Sunset Review, to finalize its "Legislative Outreach" packet and talking points. This will support a Board effort to cultivate a Legislative "champion" to develop support for the FY25 budget submission (\$1.45m increase).

- b. Melba Davis added that she has been in meetings with State IT to discuss AHS' budgeted IT Services expenditures, as well as the non-budgeted costs for an IT staff position and to update infrastructure to operational standards in Flagstaff. Work is underway to complete AHS' IT Strategic Plan, to include an updated POS system, updated website, and rolling 3-year rotation of computer equipment. The first rotation was completed in FY23; another \$25,000 is required for FY24's rotation.
 - i. David Breeckner added that this signaled serious interest by OSPB in AHS' submitted budget.
 - ii. Melba Davis added that this document will be prepared to be shared with the State Board for its review.

7. Committee Update – David Breeckner

a. 2023 Officer's Slate & Elections

- i. In August, AHS was notified by AZ Boards & Commissions that three of its current Board members – Gene Kunde, Matthew Hernando, and Diane Drobka – would need to leave the AHS Board at the end of their 1-year probationary period. This was owed to no AHS candidates receiving a confirmation hearing after their appointment in the 2022 Legislative Session. AHS was not exclusive in this; 26 other Board members from other agencies did not receive hearings.
 - 1. Gene Kunde's last day on the AHS Board is 10/5/23. He is ineligible to run as Treasurer on the 2023 Officer Slate. The position of Treasurer has no current candidates.
 - 2. David Breeckner discussed the potential impact to the Finance Committee and the available solutions to resolve it during or after Officer Elections.

8. Announcements and other matters for consideration in future Board or Committee meetings.

- a. David Breeckner introduced Vincent Bradley as the new Assistant Deputy Director at AHS, overseeing Finance and the future CFO position.
- b. Gene Kunde thanked the members of the Finance Committee for their support and participation across his time.
 - i. Members from the meeting thanked Gene for this time and service to AHS.

9. Adjournment – By Gene Kunde at 9:50am.

Dated this 22nd day of September 2023.

Arizona Historical Society

Gene Kunde

Gene Kunde, Finance Committee Vice Chair

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Finance Committee Schedule: 9:00 a.m. and Virtual unless announced otherwise

Click the date to register for the meeting

All meetings are hosted live-streamed via Zoom

[October 17, 2023](#)

[November 21, 2023](#)

[December 19, 2023](#)