

**DRAFT – Meeting Minutes of the
Finance Committee of the
Board of Directors of the
Arizona Historical Society
October 17, 2023**

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

Minutes

1. Call to Order -Linda Whitaker. 9:00 am

2. Roll Call- Linda Whitaker

Committee Members Present: Linda Whitaker, Bruce Gwynn, Richard Powers, James Snitzer, Sandra Navarrete

Staff Present: David Breeckner, Vincent Bradley, Melba Davis

3. Approval of Minutes - Motion to approve by Richard Powers. Seconded by Jim Snitzer. Unanimously approved.

4. Call to the Public- no members of the public present

5. Committee Update/Reboot - Linda Whitaker

Purpose is to fill in some financial background and institutional history

a. Questions answered by Bill Ponder on Oct. 2, 2023

1. When during the fiscal year does Risk Management notify AHS of its assessment? What if any of this is negotiable? What AHS fund does this come out of?

Risk should notify agencies early enough in the months leading up to the budget deadline. But they don't always do that. I recall receiving their notice as late as June or July for a budget due Sept 1st. I'm unsure what the current process is but they were informing agencies once every other year. At that point, the first year was locked in but it allowed you to negotiate the second year. Risk funds are from the General Fund.

2. Utilities. Is this a yearly estimate meted out monthly? A suggestion from the Board was that SRP offers discounts for nonprofits. Have we ever used our 501 C3 designation to pursue that?

Utilities has always been an issue that confuses people. When the general fund appropriation is made it reads:

Salaries. \$X

ERE. \$X
Utilities. \$X
Ops. \$X

The amount slotted for Utilities has never actually covered utilities. So you always start in a deficit. The Utilities do have various rate structures. The government rate structure during my term was always the lowest rate, even lower than 501s.

3. IT. Mandated updates vs. new services to match mission. Needs to be integrated within the total budget planning. Have requested the IT Strategic plan (no one has seen it). Has not been fully integrated in the budget. Do we need a separate comprehensive line item?

IT is only going to get more expensive every year. The IT classifications are among the highest in State government. So whether you have IT staff or you contract out, the cost is going to be exorbitant. That said because IT cost are not going away and are only going to get higher, a comprehensive plan is a good idea.

4. The pass through \$\$ for the Certified Historical Institutions. We've seen a decrease in dollars. Who determines that amount at the front end? The legislature?
The Governor (OSPB) puts a level of spending in her budget. The Legislature does likewise and then the two negotiate a final number.

5. What should this committee actually be monitoring? Better anticipation of fund overruns? Better tracking of donations, grants and revenues?
If you start from what are you actually budgeting to specifically fund and from what sources then you can monitor that. You can monitor both sources and uses and cash flow.

6. Salaries and classifications. Do we care if "the State doesn't like" us to change classifications? Can we change allocations to cover?
State HR has taken more and more autonomy from agencies. If the agency intends to re-cast its HR structure, it probably would be more successful with a agency wide plan with specific details that include salaries, classifications and timelines.

7. Looking ahead (and without inciting panic). Despite the Board's willingness to contact legislators to lobby for the 1.45 increase in budget, I am doubtful if we'll get any of that. What and how do we cut?

Go back to the monitoring question. Once the specific priorities are determined that will inform you about what to fund and not to

Several financial topics were discussed, including an unexpected \$200,000 assessment for risk management and the possibility of negotiating this assessment in the second year. The meeting also addressed utility costs and the potential for exploring renewable energy sources like solar power. There was also talk of partnerships with utility companies for sponsorship and advertising. Certified Historical Institution (CHI) funds were mentioned, and their connection to budget decisions and timing was discussed.

6. Financial Overview - David Breeckner

a. Financial and Operational Discussions

Several financial topics were discussed, including an unexpected \$200,000 assessment for risk management and the possibility of negotiating this assessment in the second year. The meeting also addressed utility costs and the potential for exploring renewable energy sources like solar power. There was also talk of partnerships with utility companies for sponsorship and advertising. Certified Historical Institution (CHI) funds were mentioned, and their connection to budget decisions and timing was discussed. David Breeckner discussed the 2024 appropriations expectations and their adjustments due to Crosswalk appropriation changes. The Outreach Committee was initially working with original estimates, which led to some confusion before the Crosswalk adjustments were introduced.

b. Review of IT Strategic Plan Budget and Expenses

The meeting involved discussions on financial reports, their accuracy, and potential improvements. The committee recognized the need to separate significant financial data from less relevant information and expressed appreciation for Vincent Bradley's efforts in sorting financial data and his intention to improve reporting. The committee agreed to focus on essential financial data using a new format. James Snitzer suggested giving the new format about a year before deciding on any further changes. The meeting briefly touched on the importance of accurately tracking data and highlighted areas for improvement and struggles in understanding financial details, especially related to the IT budget. Linda emphasized the importance of simplifying financial aspects for better comprehension and expressed her concerns about the lack of time for thorough analysis, given the complexity of the budget.

Vincent Bradley addressed concerns about budget overages (currently at 50% of budget for Miscellaneous Operations in first quarter of cycle) and the transition from the AFIS (Arizona Financial Information System) to the AZ360. Linda shared the IT strategic plan,

highlighting the need to align IT considerations with the budget. David Breeckner stressed the requirement for additional funding to support various IT-related endeavors. Melba Davis discussed updates related to IT equipment rotation, the state's role in allocating IT resources, and challenges related to software costs.

7. Adjournment to Closed Session- 9:50-10:10

8. Announcements - none

9. Adjournment - 10:10

Dated 20th Day of October, 2023

Arizona Historical Society

Linda Whitaker

Linda Whitaker, Treasurer

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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

[November 21, 2023](#)

[December 19, 2023](#)