



April 16, 2024

DRAFT MINUTES OF PUBLIC MEETING OF THE ARIZONA HISTORICAL SOCIETY STATE BOARD OF DIRECTORS FINANCE COMMITTEE

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

1. Call to Order- Linda Whitaker (9:01 AM)

2. Roll Call - Linda Whitaker

a. Members:

Present: Linda Whitaker, Richard Powers, Bruce Gwynn, James Snitzer, Sandy Navarrete

Absent: Eric Flohr

b. Staff: Vincent Bradley, Sebastian Alt, David Breeckner, Melba Davis

3. Minutes - Discussion and action, if any, to approve the draft minutes of the [March 19, 2024 MEETING MINUTES](#).

a. Motion: Sandy Navarrete, Seconded Richard Powers, Passed 5-0-0

4. Call to the Public – No members of the public present

5. AHS Financial Update-

a. Revenue, Expenditures, YTD

	March 24	YTD (Mar 24)	FY24 Budget (rev)
Revenue	\$164,374.88	\$898,769.72	1,425,622
Expense	\$264,942.27	\$2,935,726.94	\$4,786,531.00
Net	-\$100,567.39	-\$2,036,957.22	-\$3,360,909.38
Appropriation	\$0.00	\$2,260,141.00	\$3,045,800.00
Total	-\$100,567.39	\$223,183.78	-\$315,109.38

i. FY25 revised budget approved by State Board on 3/29/24.

Vince Bradley provided a financial update for the organization. In March, the revenue was approximately \$164,000, while expenses amounted to approximately \$264,000, resulting in a deficit of approximately \$100,000 in enterprise income. Vince explained that it is common for the monthly net to be negative until appropriations are received from the State. Year-to-date, the organization had expenses of about \$2.9 million, with appropriations of \$2.2 million through March. Although the budgeted amount for the year was a negative \$315,000, as of March, they were currently in a positive position. Vince refrained

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from speculating on the year-end financial outcome, as end-of-year expenses are pending. He mentioned that the organization was considering new hires but had some savings from earlier vacancies.

Linda Whitaker expressed concern about the organization's anticipated deficit, specifically regarding rentals. She inquired if the organization was keeping up with rental bookings. Vince responded that April had been busy, with a local business summit occupying the entire museum for breakout sessions. He mentioned that they continued to have proms and weddings booked on weekends. However, Vince also noted that they needed to finalize a hire for the facility rental coordinator position due to reaching capacity with current staffing. Linda asked about the progress of the hiring process. Vince explained that they had conducted second-round interviews with two viable candidates, but neither was a clear choice. They scheduled first-round interviews with new candidates for the following week. Delays were occurring due to the composition of the committee. Vince emphasized the importance of addressing this hiring priority.

Vince Bradley concluded by mentioning that the presented numbers were tentative and subject to revisions based on Sebastian's diligent checking and revising of the reports received from CSB. Linda acknowledged this information.

b. Grants

- i. Heritage Grant "State Parks" applied for \$360,000, May 1, 2024 submission expected. Seeks support for repairs to Charles O. Brown House (Tucson).

Sebastian provided details on the project. The maximum amount of funding they can allocate to the project, is \$360,000, which requires a 40% match. Jason is currently finalizing the template and document. Sebastian anticipates submitting them before May 1st. The total funding for this project, combining the grant and other sources, is estimated to be approximately \$1.4 million. The project focuses on addressing roof and structural issues and improving accessibility for the Brown house. The grant award cycle for this application is scheduled for the next fiscal year. "Grants for this round of funding will be awarded in June, 2024. Work must begin within six (6) months of the grant being awarded or the grant may be canceled."

c. New Funds/Sub Funds Updated and Approved and supported by GAO

- i. Will appear current FY24 significant roll over FY25
- ii. Funds can support future investment of both new monies generated and dividends/interest on existing accounts

Vince Bradley provided an overview of the funds and sub-funds that have been created for various purposes. He highlighted specific funds, including the non-Federal Grants fund, sub-funds for capital projects, facilities and sites, matching grants, operational reserves, capital development (requiring board approval), and the Journal and publications. The process of transferring funds from their current locations is still ongoing. These funds are sourced from statewide donations and enterprise funds, and sub-funds are utilized to categorize and allocate funds for specific purposes within each funding source.

Sebastian clarified that they have the flexibility to move money between sub-funds without any issues. However, when it comes to depositing money into the funds, they need to ensure that these funds

are not designated for specific grants or allocations. They must provide specific details to the Treasury regarding the funds being transferred and the rationale behind the investment.

Linda asked for clarification regarding access to the funds held by the Treasury. Vince stated that we do have access to those funds and regularly utilize them for expenditures. Sebastian added that he has already obtained legislative approval to establish the new funds, and the next step is to verify the numbers before submitting a request to transfer the money into the fund.

d. Staffing (Revenue Generation)

- i. Membership Coordinator position filled
- ii. Business Development Manager position in 2nd round interviews
- iii. Tempe Facility Rentals Coordinator position in 2nd round interviews

Vince announces that the Membership Coordinator position has been filled by Nikki, who has new ideas to add value and increase engagement for the members. The Business Development Manager position has also progressed to the second round of interviews, and an offer has been made. The Facility Rental Coordinator position is still in the interview process, and staff are actively searching for the right candidate. Time is of the essence, and they aim to move forward quickly.

6. Friends of AHS - David Breeckner

- a. Support Group contract executed
- b. Functions/needs for donations: FAHS receives restricted funds that are site-specific (donations to support local museums); AHS receives restricted funds that are programmatic (shared across state).
- c. Financial Statement

David Breeckner reported that the support group contract with Friends of AHS has been renewed. He is still awaiting the financial statements for the current month. The meetings are held quarterly, but a specific date for the next meeting has not been scheduled yet.

Linda Whitaker expresses concerns about potential budget cuts and asks if there have been any further state discussions regarding this matter. David stated there have been no specific discussions related to budget cuts. He refers to an article highlighting the shortcomings of the budget talks for the next fiscal year, which projected a deficit of \$450 million. This indicates that budget requests, including their own, may face reductions. The possibility of sweeps for AHS seems to be remote because we are a small agency. Efforts are being made to separate state appropriations from enterprise funds and donations. While there is no immediate concern for this agency, the appropriations amount could become a concern in a worst-case scenario. Linda concluded that we should not worry about sweeps at this time.

Linda then asked David about the likely end date of this legislative session. There are two possibilities. Legislators may want to have a faster turnover compared to the previous year when the session lasted until July. However, due to ongoing discussions and bills, including sunset reviews for state agencies, David believes this year's session will likely be contentious and drawn out. Linda further inquires about the sunset reviews for the affected agencies and asks if they will come to the floor. David responds that there are no communicated deadlines or timelines. He mentions a bill, HB 2632, which has undergone a Senate floor vote and is progressing, but it may face challenges in the House. Even if it

clears the House, it still needs to go to the Governor's desk for signing. David expressed confidence that the bill, given its scope and the agencies it includes, is unlikely to be signed into law. Linda asks if they would revert to what was originally approved if the bill fails. David clarifies that it's not an immediate change. If the bill fails, a new bill would need to be introduced in both the Senate and the House to find a solution.

7. Announcements and considerations in future board or committee meetings.

a. FY26 CIP application underway

David Breeckner mentions that efforts and conversations have started regarding the matter of reopening pioneers in Flagstaff, but there is no substantial information to share yet. He recognizes the committee and the discussion group for taking action.

Richard Powers inquires about the status of everyone's board membership renewal. David explains that there has been no progress or willingness among the Senate Government Committee, responsible for Governor appointments, to hold hearings. He mentions that Gene's situation was unfortunate, but for current board members whose terms have expired, they have already gone through the confirmation process and are currently in a holdover status. This means they can continue their duties without requiring a confirmation hearing. However, new board members who haven't received a hearing also have a one-year limit.

David further explains that Eric, like Diane, will have a one-year timeline to either receive a confirmation hearing or be required to resign. Linda Whitaker confirms that members up for renewal don't need to take any action unless they choose to resign. David clarifies that members up for renewal in November will need to express their interest to continue, but they won't proceed further unless the legislative approval process commences. Richard Powers expressed disappointment in not receiving any feedback or acknowledgment from the Governor's office after submitting his renewal over a year ago. David explained that due to the lack of legislative approval, there will be no communication, and members will continue serving in their board capacities under holdover status. New board members who haven't received a hearing also have a one-year limit. Linda mentioned an upcoming meeting with boards and commissions. David confirmed that a presentation by Boards and Commissions will be included in next month's board meeting.

8. Adjournment- Linda Whitaker adjourned the meeting at 9: 51AM

Arizona Historical Society State Board of Directors

DATE: April 16, 2024

Linda Whitaker

Linda Whitaker, Treasurer and Finance Chair

Finance Committee Meeting Schedule

Virtual unless announced otherwise

Next Meeting Dates	August 20, 2024
April 16, 2024	September 17, 2024
May 21, 2024	October 15, 2024
June 18, 2024	November 19, 2024
July 16, 2024	December 17, 2024(tentative)