

**Arizona Historical Society
State Board of Directors Meeting
Friday, August 3, 2018
Flagstaff, Arizona**

Board Members Present

Voie Coy, President, Northern Chapter
Kelly Corsette, Vice-President, Central Chapter
Dennielle "Dolly" Patterson, Treasurer, Apache County
Bruce Gwynn, Secretary, Rio Colorado Chapter
Joe Abodeely, Pinal County
Robert Ballard, Mohave County
Lorna Brooks, Yuma County
Janice Bryson, At-Large
William Garbarino, At-Large

Douglas Hocking, Cochise County
Philip "Jeff" Horwitz, Southern Chapter
John Lacy, Pima County
Charles Oldham, LaPaz County
Thomas Rose, Coconino County
Gregory Scott, Santa Cruz County
James Snitzer, Navajo County
Michael Wade, Maricopa County
Linda Whitaker, At-Large

Board Members Absent

Douglas Barlow, Greenlee County
Robin Bradford, Gila County
Thomas Foster, Eastern Chapter
Patrick Lukens, Graham County

Leonard Marcisz, At-Large
Meredith Peabody, Yavapai County
Marshall Trimble, At-Large

Staff Members Present

James Burns, Executive Director
Bill Ponder, Chief Administrative Officer
Tawn Downs, Central Division Director
Susan Irwin, Library & Archives Director
Yanna Kruse, Rio Colorado Division Director

Bill Peterson, Northern Division Director
Les Roe, Southern Division Director
David Turpie, Publications Director
Kim Bittrich, Deputy Admin. Officer

Others Present

Brian Blue, Grand Canyon Historical Society
Marilyn Hammerstrom, Ft Tuthill Museum
Corky Baca, Northern Chapter Board
Joan Brundidge-Baker, Northern Chapter Board

Ann Pollock, NAPHS
Debbie Gwynn
Mrs. Oldham
Rich Boyd, Northern Chapter Board

Actions taken at this meeting:

- Gwynn moved, seconded by Hocking to approve the Minutes of the May 11, 2018, Board of Directors meeting. The motion passed unanimously.
- Wade motioned, seconded by Gwynn to approve the recommendations of the Vision Committee for the following:
 - New Mission Statement: ***"Connecting people through the power of Arizona's history."***
 - New Vision Statement: ***"To be the driving force strengthening Arizona's communities by promoting history through leadership, partnership and scholarship."***
 - New Guideline Statement: ***"Create transformative experiences through history."***

- 18 members approved, 1 opposed, motion passed.
- Board was divided on a policy for providing one-time use pass(es) with an expiration date to Pioneer and/or Riordan Mansion to members of NAPHS. Abodeely motioned to table the issue until the next meeting, seconded by Oldham. 6 members approved, 8 opposed. Motion failed.
- Gwynn moved to allow the passes on the basis we collect data for future endeavors, seconded by Rose. Motion passed.

Call to Order

President Coy called the meeting to order at 11:45 am.

Roll Call

Roll call was taken; Coy declared a quorum.

Discussion and action, if any, to approve the Minutes of the May 11, 2018, Board of Directors meeting.

Gwynn moved, seconded by Hocking to approve the Minutes of the May 11, 2018, Board of Directors meeting. The motion passed unanimously

Introductions

Coy introduced new board member, Robert Ballard from Mohave County. Ballard stated it is an honor to be on the board. He has worked at the Records Office of Mohave County since 1987, he is currently the Records Manager. Still does microfilm and content management for the county.

Others present at the meeting introduced themselves.

Call to the Public

No public comments were received.

President's Report and Inquiries

Coy discussed the time it takes to get board members appointed. Recommendations were made in September 2017; it took until May of 2018 for the approval. Governor would not appoint new members until Legislature approved. Board appointments needs to occur in Spring and therefore we need to move the annual meeting from November to March or April. He asked the Governance committee to look at the By-Laws to change the time of the annual meeting.

Coy recommended talking to the staff at the governor's office to change the timing of the appointed board members to 6 per year (7 every 4 years) since we will lose 16 members of the Board in June 2019.

Coy and Burns met with Auditors, they want us to set up a process and procedures with measurable

criteria. Abodeely wants to know if there is a problem with the government knowing how much the support groups make. Coy, states that the funds go to 501(c)3 as support for AHS. Lacy said money coming into a separate organization does not have to go through State procurement, and does not have to be accounted for by the State. Coy asked for confirmation that State has no control. Lacy said the Auditor General wants more information from the Friends group but they resisted. Irwin, stated that they want to see we are actually raising money and not relying solely on State appropriations. Corsette said it was more than just Friends involved in terms of raising money, they want to make sure we are applying for grants and raising money. Discussion continued.

Coy received a letter from Walter Lane, President of the Southern Chapter Board, proposing that the Southern Chapter go dormant. Horwitz stated the 501(c)3 does the work and it is more efficient. Wade stated the composition of the State Board changed with the new legislature, each chapter has a seat on the Board, what happens if you move away from the chapter boards, is there a legal risk. Burns, didn't think it would be an issue as Foster represents Eastern and that is not a currently operating chapter. Coy told Lane it was too late to get it on the agenda but that he would inform the Board of the intent but didn't know if Statute needs to be changed. Following discussion Horwitz asked that this be on the October agenda.

Coy asked for an explanation of the Arizona Constitution and the giving of gifts by the State of Arizona. Corsette said the government cannot give a gift of government resources without getting an equal value in return. Abodeely thought it was based on a minimum value like \$25. Garbarino, represents the governance committee, NAPHS would like to give museum passes to their members. Lacy said the Constitution is against giving away State property, we can send a note to the Attorney General's office to get their opinion. This was discussed further in the governance committee report.

Coy informed the Board the next meeting is in Tombstone and the State cannot buy lunches. Hocking has made an arrangement for lunch at a cost of \$10 per person. Hocking is going to request assistance from local historical societies. The meeting could be held at a guest ranch two miles outside of town that was originally purchased by a group partnering with a German group that wanted to have a dude ranch. It was since acquired by White Stallion Ranch. Burns thanked him for making the arrangements.

Coy, since last Board meeting has had 14 questions he is unable to answer. Between now and next meeting he would talk with Burns to get answers to these questions, like can we put up a billboard on the side of the museum on 2nd Street in Tucson? The lease expires in 2053 between U of A and AHS. AHS owns the building and the contents, U of A owns the land. Burns said we should consider approaching the University before a capital campaign about the building. Papago Park is on land owned by the City of Tempe. Coy said we need to raise 50-75 million dollars between now and 2053. Burns said we need 75 million by 2022 to make AHS what it once was. We need endowment funds for capital improvement projects, collections and archival storage, and exhibitions and educational programs.

Staff reports

Revenue enhancement

License Plates - Burns, we are still corresponding with ADOT, they agreed to let us phase out the old plate and design a new plate. We would have to pay down the old plate with the revenue from the new

plate. Bryson asked if we can trade the old plate for the new plate, Burns will check on that.

Micrographics – Irwin, the State Library & Archives has discontinued their micrographics program. Microfilm is key for disaster recovery. On Monday the equipment was moved to Tempe location. Hoping to get the program up and running by October 1st or sooner. Burns thanked Irwin for bringing the program to AHS to provide an essential service to the State. Irwin, AHS now has one of the only processing machines in the Southwest to handle microfilm.

Earned income overview - Ponder, this is included in Burns' report. Staff was to increase revenue in several earned income categories. Everyone was over and above the 5% of previous year's revenue that was required by the Board. He thanked the team, museums and programs.

Branding project – Downs said the new website is live. There was an additional delay due to payment portal but it is now live, and it is mobile friendly. Congratulations were offered.

Upcoming exhibitions

Downs announced the October 18th opening of 'Portraits of Courage', a traveling exhibit of works by President George W. Bush. There are 66 paintings of wounded veterans. Bush will not be at the opening but hopes to make an appearance at one of the events. We are in partnership with the Sandra Day O'Connor Institute who is spearheading the fund raising for this to happen. This is being shown in only 4 locations in 2018 and the Heritage Center is one of the 4.

Roe announced the January 8th Memorial Foundation and AHS have been communicating and agreed to the concept of a resilience exhibit. The Foundation is providing support of \$100,000. There will be exhibits featuring resilience at all the locations. Yuma will feature 'Clues, History Mysteries of Yuma', Pioneer and the Martin Springer Institute at NAU will feature the exhibit 'Spirit of Resilience'. The Arizona History Museum has the John Slaughter exhibit opening in September and on January 8th the exhibit opening of Resilience, Art and History all themed on resilience. The Heritage Center will open 'A Place for all People' in January 2019. Burns commented on the reference of "people in need on the street" not homeless. Each division will do public programming.

Budget 2017-2018, FY close-out and 2018-2019 FY

Ponder, we closed out 2018, a good strong year with earned income. Net gain of about \$200,000 throughout the agency, the divisions did a good job managing budgets. We are in the process of preparing for 2020 budget. We have added increased levels of forecasted revenue of \$153,000. The new budget will be very aggressive. Burns' expectations make the expectations of previous years' pale.

Ponder, utilities have always been an issue that the appropriations do not cover. We have made improvements to lower utility cost; new roofing in Tempe, partial roofing and insulation in Tucson. Utilities have already dropped substantially, from \$407K in 2016 to \$370K in 2018. Coy asked if appropriation is supposed to cover utilities. Burns states we get a set amount of appropriation that does not cover salary and utilities. He said he could move utilities to appropriation and pay salaries from earned income. Coy asked if they could talk to the Legislature about the funding. Ponder said we are always requesting additional funding to support utilities, even though we visit with OSPB and JLBC, they each direct us to talk to the other.

Upcoming publications

Turpie, in January the *Journal of Arizona History* was 6 months behind. The Summer issue is at the printer right now. This year we will have printed and mailed 6 issues to get caught up. A new book "Girl in the Iron Box" is getting ready to go to printer. It is a fascinating book, which we hope to have printed and ready for sale by the end of year.

Reaccreditation

Burns, updated the timeline for reaccreditation saying it has been extended, the self-study is moved to 11/1/2020, with site visits in March or April 2021, and accreditation recommendation in June 2021. This is for the southern sites.

Molina Block / Agricultural Museum

Kruse, AHS has a tremendous unrealized asset in the Molina Block. Oldest and largest unfinished adobe structure in Yuma. Owned by Jose Molina, originally it was a square commerce center and in the later years it was the Lower Lights rescue mission. YCHS raised \$500K to move the mission and the Molina Block was transferred to YCHS. In the 1990's the Molina Block was transferred to AHS to bring the facility back to life. AHS has been unable to complete the renovation. Local community wants to help develop this property. Redondo Days fund raiser supports the renovation of the Molina Block, and the history of Yuma's agriculture. Water fountain is being installed to represent the irrigation districts. Burns thanked Gwynn and Kruse, stated this is the perfect project to launch capital campaign.

Areas of greatest risk

Ponder, we looked at strengths and weaknesses of the Society.

1. Risk -- loss of earned income streams, dependent on them to keep the divisions and programming running.
2. Headcount controlled by the state. Prior to the current Governor, headcount was introduced. 20 years ago, appropriated staff count of 64 plus non-appropriated. Now we have 45 total, not FTE but total bodies. No matter what we raise, we cannot raise the headcount.
3. Deferred maintenance on buildings. No funds for utilities, definitely no funds for maintenance. Upcoming report on request to state for building maintenance.
4. Lack of a viable strategic plan that embraces where we are and who we are. It needs to tie to revenue plan.
5. Lack of a development plan.

Burns thanked staffed for their presentations.

Consent Agenda

- a. Executive Director's Report (May - July).
Burns will answer questions but appreciated time for the staff presentations.
- b. Financial Reports (FY'18 year-end).
Coy asked if there were questions on the financial reports, there were none.

Recess

Coy announced a recess at 1:16 pm.

Reconvene

The board reconvened at 1:33 pm.

Property and Building Committee report and board discussion and/or action, if any, regarding the report.

Rose, the building state for all of AHS properties is poor. We submitted 2.1 million in requests to the State for building maintenance. Burns said Downs, Ponder and he met with 8 officials from State and is very hopeful. The list includes 6 items for Flagstaff that resulted from an ADOA inspection, there were 6-8 deficiencies. Rose will be visiting all the areas to look at the buildings and see what they all need. He has a background in building and can see things from a different perspective. Discussion continued, Rose asked for assistance. Gwynn said he would assist for Yuma. Hocking and Horwitz said they would help. No actions.

Community Outreach Committee report and board discussion and/or action, if any, regarding the report.

Bryson, the certified museum grants are on a different schedule. Applications are due back August 31st. Foster and Brooks are on the committee to review applications. Staff will make an initial review of the applications, send recommendations to the committee; committee will review and send recommendations to Board for approval in October. Abodeely asked if you purchase something prior to grant approval can you request reimbursement? Bryson responded no. Coy asked if there were any questions, none asked.

Board discussion and/or action, if any, regarding the Vision Committee report and recommendations from their June 18, 2018 meeting.

Wade, said Peabody chaired vision committee, initially a committee of 2. They interviewed staff to see what was important. One result was a request for a new mission/vision statement. One of the challenges we have is people associate the word 'history' with 'boring'. A mission statement is connecting people with the History of Arizona, where you are and what you are doing. A vision statement is where you want to be. The committee strongly recommends the vision, mission and guideline statements presented. Coy asked for recommendation. Wade motioned, Gwynn seconded to accept the new mission, vision and guideline statements.

- Mission Statement: *"Connecting people through the power of Arizona's history."*
- Vision Statement: *"To be the driving force strengthening Arizona's communities by promoting history through leadership, partnership and scholarship."*
- Guideline Statement: *"Create transformative experiences through history."*

18 members approved, 1 opposed, motion passed.

Membership Committee report and board discussion and/or action, if any, regarding the report.

Abodeely, there are three members on the committee. Talked with staff and others. Downs offered to help out, stated no one thing will fix the membership issue, it is tied to the strategic plan. Need to understand our plan, development of membership, outreach, organizational management, programs, and exhibits. Under leadership of Burns we will have the strategic plan that will help with membership. Credited Corsette for saying 'visitorship equals membership', we have to have something people want to see. The more visitors and events we have, the more earned income we will have. Rose stated in 1983 AHS had about 3900 members, now we have 1500. Discussion continued. Abodeely would like everyone to think about all the membership issues, and look for ways to partner with others. No actions today.

Governance Committee report and board discussion and/or action, if any, regarding the report.

Garbarino stated the committee was split in three areas: Lacy and Shaw are reviewing the by-laws, Marcisz and Whitaker are reviewing the audit, Gwynn and Garbarino are reviewing policy and MOUs.

Whitaker referenced audit document, worked with Burns and Ponder. Burns had a meeting with AG (Lindsey Perry, new State Auditor General and Dale Chapman) – wanted to introduce themselves and discuss the findings and get feedback from them. Need documented evidence that answers the findings. Appreciative that we took the initiative to complete the follow-up. If our next audit is completed by the AG's office it will occur Fall of 2022, with findings presented by 2023. In 2024 we will be renewed or not. Discussion continued. Whitaker said the sunset review will be on every meeting agenda.

Garbarino mentioned MOU's with support groups, we need to have a policy, they give us financial support, what do we do for them. We need clarification of AHS status, if we are a State agency, we are unique. Marcisz is writing a paper for everyone to look at regarding the status of AHS.

Garbarino said we need to get a response on passes for NAPHS members as outlined in a detailed memo from NAPHS to the AHS State Board, circulated prior to the Board meeting. Burns said it is a policy and the Board needs to vote on it. Board sets policy and Agency acts on it. What we do for one support group we need to do for all groups. Discussion continued. Whitaker said the group was divided but knew it was time sensitive, we do not know what the impact is and we need to track it over a year. They went back to see what revenue was lost for free veteran's admission policy, we lost \$14,692. If it is implemented staff has the responsibility to track it. Abodeely made a motion to table the issue until the next meeting and have the procedures written. Burns has a mechanism to track this so we can report to the Board. Senior leadership does not agree to do this. Oldham seconded. Six members in favor, eight members opposed. Motion failed, discussion was put back on the table. Gwynn moves we allow this to happen on the basis we collect data for future endeavors. Rose seconded. Horwitz asked for clarification that NAPHS members get one pass for one time only use with an expiration date. Motion passed.

Items Scheduled for Board Discussion and/or Action:

- a. Board discussion and/or action, if any, regarding AHS Arizona Auditor General's Report #1313.

No actions

- b. Board discussion and/or action, if any, regarding the 2018 AHS Board of Directors Work Priorities.
Coy – no changes since last time.
- c. Board discussion and/or action, if any, regarding the 2018 AHS Executive Director Work Priorities.
No changes.

Announcements and other matters for consideration at future board or committee meetings

Wade would like to set up a committee to evaluate the director. He will set a date following the Board meeting.

Adjourn

Coy adjourned the meeting at 3:25 pm.


Voie Coy, President