

**Minutes of the
Executive Committee of the
Board of Directors of the Arizona Historical Society
17 August 2020
1300 N. College Ave. Tempe, AZ**

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

1. Call to Order – Linda Whitaker, Committee Chair and Board President

Meeting was called to order at 11:34 a.m. – virtually.

2. Roll call (There was a quorum) –

Present virtually: Linda Whitaker, Robert Ballard, Tom Foster, Bruce Gwynn, Kelly Corsette, Jim Snitzer

Absent – Jeff Horwitz, Voie Coy

Staff present virtually: Bill Ponder, Kim Bittrich, James Burns

3. Discussion and action, if any, to approve the draft Minutes of the July 22, 2020, Board of Directors meeting. Gwynn moved that the minutes be approved as presented with an addendum submitted by citizen, Jay Van Orden; Corsette seconded; all voted in favor of approval.

4. Call to the Public – Consideration and discussion of comments from the public. Those wishing to address the Board need not request permission in advance. Presentations will be limited to five minutes. Action taken as a result of public comment will be limited to directing staff to study the rescheduling of the matter for further consideration and decision at a later date.

No members of the public were present.

5. Executive Committee – State Board Priorities for FY20-21 – Discussion, and action, if any, regarding state board goals for the coming year. – Linda Whitaker

Whitaker asked the group if they had any questions, concerns, or comments about the board goals as presented at the August 14, 2020 board meeting. Discussion ensued; a question was asked about if a goal/priority could be added during the year. Whitaker indicated that the goals/priorities could be reviewed on a monthly basis and amended as appropriate.

6. State Board Membership – Discussion and action, if any, regarding the status of current board members, status of board appointments, and possible board committee assignments - All

Whitaker reported that she has a meeting scheduled with Boards & Commissions to check on the status of board members and appointments; she will report back at the September meeting.

7. Executive Director Update – Review of goals, initiatives, opportunities, communications with the public, and staff updates, if any.

Priorities Progress

Communications about strategic goals, mission and vision achievement – staff leadership met for a virtual retreat at the end of July and mapped out a plan to catch up on our tracking documents. Those will be updated in time for the end of the first quarter of this fiscal year, and will be reported to the board.

Aggregated staff leadership goals for Q3 2020 will be circulated in the next round of reporting to the board. Note: These are always slightly in arrears because we meet for a retreat about 3-4 weeks after a quarter has ended so we have that quarter's financials to review – but that puts us a little behind in setting our aspirational goals for the quarter. In the past that has never been a problem as there are carry-overs, and goals are all drawn from the strategic plan.

Fundraising/development plan – the financial situation remains fluid for AHS, as it is for thousands of cultural institutions across the nation. Leadership is updating the plan based on the year-end financial data. That should be available in early September. Like most cultural organizations, we are projecting an 80% or greater drop in revenue – earned and raised.

Creation of formal communication structure for community stakeholders to provide feedback – those feedback loops are robust for support organizations (History Partners, Chapters). We are now using those structures as models for our nearly three dozen partnerships and community voices groups, which are attracting new interest.

Sunset Review – Staff and President Whitaker met with the Auditor General's Office to review the sunset tracking documents, answer any questions and determine if there are any outstanding issues that concern the Auditor General's Office. The only issue cited was the purpose of chapters and the reasoning for restricting funds while submitting annual budget request for critical funding needs.

American Alliance of Museums Reaccreditation – Dr. Burns, who serves as an accreditation reviewer for the American Alliance of Museums, has been asked to conduct a review of another museum just prior to AHS' review, which will provide valuable insights into the most current thinking regarding the process. Staff continues to work on the self-study documents, which are due in October.

Recruitment of fundraising board for the Friends of AHS Inc. – In the past two months, three new board members have been recruited. A short list of new recruits is being reviewed, and will be presented either at the September or October Friends board meeting for approval.

Legislative and Governor's Office communications – Executive Director is in communication with the Governor's office multiple times each week due to the agency's higher profile than in the past. This is ultimately a healthy trend, and is resulting in connections to other state agencies. The focus on AHS' financial situation has consumed the time that would have been devoted to general legislature communications. Executive Director did meet with the agency's representative to the Joint Legislative Budget Committee and the liaison for the Office of Strategic Planning and Budgeting to continue to shine a light on the agency's precarious financial position, triggered by the COVID-19 pandemic. The reduction in earned income and contribution brought on by the pandemic is equivalent to greater than a 30% budget cut.

Partnerships

The July 2020 leadership council report inadvertently omitted Arizona Humanities, one of AHS closest partners. We work on statewide programming together, are in discussion about a Smithsonian traveling exhibition, "American Democracy," and are working together to implement a Mellon Foundation grant.

Active Monitoring

Contemporaneous/rapid response/crisis collecting

This continues to be a hot topic in the field, as well as a mission driven imperative. A survey of other state historical museums failed to turn up another institution that is not engaged in this kind of collecting. AHS is an outlier. This is an issue that staff is actively engaged in addressing. The staff has plans to engage in such collecting per the collecting plan on the website.

Finances

Staff will be working closely with the finance committee going forward. The next issue we face is how to pay the utility bills at some of our properties.

A new expense will be added to the books beginning October or November 2020. The collections storage space we have used gratis for many years in Yuma will no longer be free. The rent has not yet been determined for certain, but could be as high as \$1,200 a month (\$14,400) a year. We are exploring three other options and will report back to the finance committee in September.

Board Meeting Follow-Up

Staff reported a vital point of clarification about Fort Lowell, the Downtown History Museum, and Riordan Mansion State Park: AHS is a tenant in these properties. We have certain obligations to our landlords. If we are unable to meet those obligations, we will be in default of our leases/agreements. None of those agreements permits subleasing. Our ability to engage the public in a debate about the future of properties that we have no legal authority over is limited. Our communications team is putting together a list of resources, to assist concerned citizens who wish to engage with the property owners.

Regarding public concerns over public disclosure, we have verified that the agency is in compliance with Arizona's Open Meeting Law, generally speaking, and specifically with regard to recent queries relating to the possibility of AHS extracting itself from property leases.

Contributions from affiliated 501(c)3's (NAPHS, Pathfinders, friends of arizona history, Los Amigos, etc.) came into question at the last board meeting. These organizations provide some information to the AHS finance team on an annual basis. That being said, the finance team has no way of verifying the accuracy of that information besides the 990 forms filed with the IRS. Requests to provide the 990s have been denied by several of those organizations. Copies of the 990s have been ordered from the IRS, and should be in hand within 6-8 weeks.

In order to better understand and be attentive to the unspecified decisions being made by AHS that are unnerving, the leadership council will develop a survey process. Face-to-face meetings and educational opportunities have been conducted with success in some regions – less so in others, multiple staff liaisons have been appointed (as many as 5 in a period of 2 years in one location), and focus groups have been conducted. The staff is available as always to meet, discuss concerns, and make presentations to bring groups up to speed on the progress made over the past year.

A white paper regarding the evolution of the AHS staff which was circulated last Summer is being updated to provide more data points to address new allegations regarding staff turnover. The leadership council white paper will be presented to the executive committee.

Procedures for approval of 1107 funds expenditures needs to be updated in writing for AHS to remain compliant with the revised State Accounting Manual. Staff is developing that document; no approval is sought as this is not a policy, merely a procedure to ensure compliance and a positive sunset review and performance audit.

Executive Committee members requested that where possible the executive summary be tied to the strategic plan and annual priorities. The monthly staff leadership report should hit the highlights at the beginning. Demonstrate progress against objectives and underscore hot topics. If progress towards objectives is superseded by the need to address other issues, report that.

8. Treasurer's Report – Report and summary of latest state communications, and discussion, and action, if any. – Snitzer and Ponder

- a) Discussion of board vote on August 14, 2020 regarding dissolution of the relationships with the City of Tucson, Wells Fargo, and AZ State Parks and Trails and to direct staff to act in a timely manner to extract AHS from operational aspects in existing MOU's for Riordan Mansion State Park, the Downtown History Museum, and Historic Fort Lowell.

Whitaker asked Ponder to recount staff communications with Arizona State Parks and Trails, the City of Tucson, and Well Fargo, in the time period between the July 22, 2020 Executive Committee meeting and the August 14, 2020 board meeting. Ponder, Bittrich, and Burns participated in a conference call with decision makers at Parks about the action item regarding Riordan Mansion on the board meeting agenda. They were provided with information to participate in the board meeting virtually or in person. Attempts were made over a period of three weeks to contact officials with the City of Tucson about Fort Lowell. The morning prior to the board meeting, staff received a return call from an administrative assistant in the City Manager's Office. No further communication has been received. Communication with Wells Fargo is open and ongoing; they have known for nearly two years that staffing of the Downtown History Museum was increasingly challenging and that closure was a possibility. Whitaker asked Ponder and Bittrich for additional financial information about all three leases in advance of the next Finance Committee meeting.

- b) Discussion and action, if any, regarding presentation of financial reports for individual AHS sites.

Snitzer will work with Bittrich and Ponder to develop more user-friendly financial reports.

- c) Discussion about membership of Finance Committee.

The Finance Committee will begin meeting monthly in September, with representatives from the AHS board, including Snitzer, Whitaker, and Scott. Banking and investment professionals from Yuma, Flagstaff, Tucson, and Phoenix have been appointed by Whitaker per the AHS bylaws, including Shawn Moreton, Deborah Bateman, Dave Lyons, Jim Straight, and Sandy Navarrete.

9. Sunset Review and Performance Audit and American Alliance of Museums Reaccreditation – Discussion, and action, if any regarding the most recent sunset audit and reaccreditation tracking documents – Whitaker

Whitaker reported that she, Ponder, and Burns met with representatives of the auditor general's office about the upcoming sunset review and performance audit. The auditor general's office appreciated the outreach, reviewed tracking documents, and asked follow up questions about progress toward addressing the 2013 findings. Ongoing concern was expressed about chapters and associated funding.

10. Announcements and other matters for consideration in future board or committee meetings - All

Executive Committee Schedule

Monday, September 21, 2020

2020 and 2021 AHS Board meeting dates and locations:

October 23, 2020 – Arizona Heritage Center, Tempe (and virtual)

Meeting adjourned at 1:08 p.m.

Dated this 19th day of August 2020

Arizona Historical Society



Linda Whitaker, Board President