

**Minutes of Public Meeting of the
Executive Committee of the Board
of Directors of the Arizona Historical
Society
Monday, May 24, 2021**

1. **Call to Order** – President Linda Whitaker

Meeting called to order at 12:02 p.m.

2. **Roll Call** – Bruce Gwynn

Committee Members Present: Linda Whitaker, Jim Snitzer, DeNise Bauer, Bruce Gwynn, Colleen Byron, Kelly Corsette

Committee Members Absent: Robert Ballard (on vacation), Tom Foster (on the road to deliver mini grant)

3. **Minutes** - Discussion and action, if any, to approve the draft Minutes of the April 26, 2021, Executive Committee meeting.

Byron moved to accept the minutes as submitted; Corsette seconded. All committee members presented voted to approve the motion.

4. **Call to the Public** – Consideration and discussion of comments from the public. Members of the public wishing to address the Committee should identify their interest at this time via the chat box. Those wishing to address an item on the agenda will be called upon when that item is being discussed and given up to five minutes. Those wishing to address an item not on the agenda will be allowed up to three minutes. Such items may not be discussed by the Committee but may be directed to Staff for study and consideration at a later date.

No members of the public present.

5. **Board Appointments** – Status report. – Whitaker

There haven't been any changes in the past month except that we know there are still some ongoing interviews for vacant positions. Some appointments are forthcoming pending fingerprinting. There likely will not be new appointments prior to the June board meeting.

6. **Sunset review compliance and progress report on contracts with not-for profit organizations that work with AHS** – Whitaker and Burns

Whitaker: This is another feature of Sunset compliance. The memorandums of understanding created for the supporting 501(c)(3)'s in 2015 were considered 'placeholders' until AHS could develop more detailed agreements. The State as well as county and city governments seek contractual agreements between agencies and those with whom they conduct business. They are intended to be reviewed by all parties on a yearly basis. The State is looking for specifics and accountability. Why? To protect the State from liability and to ensure that the exchange of goods and services is equitable. They seek a formal contract that will be customized for each 501(c)(3). All AHS contracts are reviewed by the Arizona Attorney General's Office.

Because this came up recently, it is important to note that the State is not interested in AHS bylaws, policies or practices **unless they conflict with State laws, rules, regulations, or audit findings**. In other words, as a State agency we are obligated to adopt (and adapt to) State rule. This topic came up in a recent conversation with a stakeholder regarding the 1107 funds who was told that the Board's decision to eliminate 1107 funds was not arbitrary and not negotiable. It was a Sunset audit finding (among other findings) that required Board action and compliance.

AHS has an obligation to comply and to negotiate these agreements in good faith. The purpose is not to dictate to the not-for-profits what they can or have to do. Each organization has a choice to enter into a contractual partnership with AHS or not. If not, the appropriate course of action can be taken.

Whitaker asked about the sequencing of this project. Burns: Staff will have a phone or video conference with the presidents of the not-for-profits that are still working with AHS. Those conversations will be followed up with a letter and the contract delivered via certified mail to the home address of the president of each organization. Meetings will then be scheduled with those groups to discuss and execute the contracts.

Snitzer: We should anticipate some push back. If they don't respond then the relationship is effectively severed. AHS should always be willing to reestablish the relationship though; keep the door open.

Whitaker to Burns: Please keep the committee updated as to progress.

Contents of the contracts will include responsibilities, resources, professional services, facility use, and roles.

Arizona History Convention – Morrissey, Tebeau, Rosebrook

Friends of the Arizona Historical Society, Inc. - Gwynn

Friends of Arizona History - Head

Historical League - Nullmeyer

Los Amigos - Schwager

Northern Arizona Pioneers Historical Society - Madden

Pathfinders - Knude

Yuma County Historical Society - Hurt

7. **Finance Committee** - Snitzer

- a. Gift Acceptance Policy has been recommended to the full board for adoption

This policy sets the stage for AHS to accept a wide range of gifts in the future. It has implications for Friends of AHS Inc. as well. The policy lays the groundwork for the capital campaign. Snitzer: Look at the appendix; think about various not-for-profit organizations that have gotten in trouble in the past; it was because they did some things that are against the best practices in the industry. The policy puts the burden for oversight on the Finance Committee. This was discussed at length and ultimately the Finance Committee was chosen because many of these gifts involve very technical financial instruments. We need people who really understand these things to review. This provides both staff review and outside review – a checks and balances system. Whitaker: There was a lot of scrutiny by the Finance Committee; they asked incisive questions. Burns: The policy was re-evaluated and updated during the last Finance Committee meeting. The vote to recommend it for approval by the full board

was taken only when editing was complete. Whitaker is comfortable putting this policy forward for full board approval at the June 18 meeting.

b. 30,000-foot financial overview, burn rate

The burn rate continues to improve. It is down to about \$115,000 annually. The betterment that is happening is on the revenue side. The expense numbers aren't improving much more because the majority of the cost reduction opportunities have already been maximized. We owe it to staff as soon as there is some flexibility in the numbers to reward the remaining staff for all of the extra work they have taken on.

8. **Governance Committee** – Review and discussion of recommendations – Corsette

a. Board officer elections

The Governance Committee met last Friday and covered two topics. The committee previously looked at the issue of board officer elections. The committee came up with a proposal to improve transparency. Corsette discussed the recommendation and clarified the specifics and the reasons. **This is a bylaw change; there is not time to meet the 30 days' notice prior to the June meeting. So, there will be a special board meeting scheduled on July 12, 2021 to vote on this change.**

b. Veterans admission policy

This is a policy change, requiring 10 days' advance notice, so there is time to put it forward to a vote at the June 18, 2021 board meeting as follows: "Recommendation to the full board that the current policy relating to Veterans admission policy be changed and that the Society should provide discounted general admission to active duty military members and veterans equal to the discounted rate provided for seniors. The definition of veteran, per the Veterans Administration, is "a person who served in the active military, naval, or air service and who was discharged or released under conditions other than dishonorable." This will appear as an action item on the June 18, 2021 board meeting agenda. Note: This does not apply to families, only active duty military members and veterans. Whitaker thanked Corsette for moderating the discussion adeptly, and she emphasized that the new policy, once approved, needs to be distributed publicly at AHS physical locations and on the website with consistent messaging.

Whitaker asked about future priorities for the Governance Committee. Corsette responded that the board's role in nominating people to serve on the board needs to be looked at and overall there is a need to examine the bylaws and policy manual and identify inconsistencies that should be addressed. Whitaker: AHS needs to comply with the practices of the Governor's Office of Boards & Commissions; board appointments are not dependent on Board recommendations. Corsette: There is a piece of the bylaws that needs to be fixed.

Whitaker: What about the role of chapter boards? Detailed language has been developed and circulated. Whitaker requested that this issue be addressed as it is a sunset review item. It is uncertain whether the proposed language will suffice for the auditors, but it does show due diligence in updating roles.

Whitaker had a conversation with the new president of the Southern Chapter. He seemed surprised to learn that as a State agency the higher order for AHS is compliance with State laws, policies, regulations etc. There are misperceptions of AHS as a State agency as well as Board and chapter roles. Some chapters may

not see their role as advisory. According to previous conversations, some want a role in exhibitions or facilities and collections management. The Auditor General's office does not see chapters as having any role in operations. The updated language regarding chapter roles and responsibilities has been widely circulated and discussed previously among Board members but not reviewed by this Governance Committee or brought to a full board vote. Note the Board is not seeking to eliminate chapters but to find language that will satisfy Sunset reviewers.

9. **Executive Director Update – Burns**

The shuttered venue operators grant request is pending. Everyone is hoping for word soon. This COVID relief grant would allow AHS to re-staff and bridge the gap between now and the time earned income streams are projected to rebound in the fall. Membership trends are encouraging. AHS continues to buck the industry trend, staying relatively steady with slight increases and decreases. Last month we added 14 members. The most notable trend is that while overall membership numbers have been steady, the membership revenue is increasing. Why? Because members are increasing their levels. Every month, an "up/down" report is created. Members sometimes downgrade (for example from family to individual level when they become a single person household). The upgrades have been outpacing the downgrades since last year at this time? Why? We aren't entirely certain, but the trend roughly coincides with the onset of AHS' digital initiatives – the digital history hub, social media blitz, and virtual programming. For the first time there was no "down" in the report in April. All members who renewed stayed steady or increased their level, and there were new members. Why is this significant? AHS never did a campaign to encourage members to increase their level. Whitaker complimented the virtual content, programs, and newsletters.

10. **Announcements** and other matters for consideration in future board or committee meetings
There will be a special board meeting on July 12, 2021 at noon to discuss and vote on the bylaw revision relating to the election of board officers. Whitaker directed staff to determine if there will be a quorum. Otherwise there will be an Executive Committee meeting immediately following to take action.

Adjourned at 1:15 p.m.

Executive Committee Schedule

June 28, 2021

AHS Board meeting dates and locations: June 18, 2021 (Virtual)

Dated this 24th day of May 2021

Arizona Historical Society



Linda Whitaker, Board President

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