

**DRAFT Minutes of Public Meeting of the
Board of Directors of the
Arizona Historical Society**

May 23, 2022

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

1. **Call to Order** – Meeting called to order at 12:02 pm by President Linda Whitaker.
2. **Roll Call** – by Linda Whitaker
Board Members Present:
Linda Whitaker, Robert Ballard, Desirae Barquin, DeNise Bauer, Wynne Brown, Colleen Byron, Kelly Corsette, Linda Elliott-Nelson, Tom Foster, Bruce Gwynn, Sharon Holnback, Greg Scott, Jim Snitzer, Ileen Snoddy, Valerie Welsh-Tahbo, Sherry Rampy.
Absent:
Deborah Bateman, Stephen Chapman, Richard Powers
Staff Members Present:
David Breeckner, Rebekah Percival, David Turpie, Carole McQueen.
3. **Minutes** – Discussion and action, if any, to approve the Minutes of the March 25, 2022, Board of Directors meeting.
No comments or discussion.
Motion to approve by Linda.
Robert second the motion.
Unanimously approved.
4. **Call to the Public** – Consideration and discussion of comments from the public.
Members of the Public:
Becky Jackson (F-AHS), Betty Villegas and Michael Lopez (Los Descendientes), Fletcher McCusker (Rio Nuevo), and Gwen Groth (observer, NAPHS).
5. **Summary of Current Events** – Brief summary of current events, if any, by the Board Chair.
No summary offered at this time.
6. **Executive Director Director's Report** – Breeckner
 - a. Sosa-Carrillo House – Breeckner, with McCusker, Lopez, Villegas

David: Described the findings of the Restoration Estimate, identifying a cost of \$1.28M to fully restore the historic home. This represents the best estimate since 2015 detailing all the items that need to be addressed. Highlighted in the report was the detrimental impact of deferred preventative maintenance by AHS. In December 2021, the appraised value of the house was \$1.05M, with

renovation and restoration costs figured into that value. Comparable homes but of a finished nature value at approximately \$1.2-1.3m. David detailed past efforts to secure funding, including CIP requests the last 6 years and a failed federal grant which enjoyed city and state support. The application was rejected for not being a high priority compared to other national grant submissions. AHS will continue to apply for preservation grants but the interest from Rio Nuevo presents a tangible option to be considered.

Fletcher: Asserted Rio Nuevo's interest in the house. The barrio (700+ structures) where this house is, has been destroyed except for the Sosa-Carrillo house. It holds immense historical and cultural value. RN commits to keep the current tenants, offering a reduced \$1/mo rental rate and a 5 year contract. They are committed to restoring the property, per the restoration estimate. They will not sublease the house to the city and it shall remain publicly accessible. When the organization sunsets in 13 years, they can specify in the contract that the Sosa-Carrillo House must be returned to AHS.

Michael: There is a good relationship between AHS and Los Descendientes. Sharing Mexican American history through exhibitions is vital. RN's offer represents a great opportunity to restore the house to the level it is needed. He is worried about the fate of tenants during construction.

Betty: Seconds Michael's concerns and interests. She shows gratitude towards AHS for letting them share the Mexican-American History, and how important it is for them to have an entire space dedicated to their heritage, preserving the stories of their elders. Betty notes how important it is that now Rio Nuevo is allowing them to continue telling their story.

Fletcher: If this moves forward, RN can coordinate the required closure of the home for interior restorations alongside exterior work within the larger downtown area. This would limit the tenants' downtime to an estimated 6 weeks. Afterward, work can continue on the exterior that may take a year or longer.

Linda: Seconded Michael and Betty's passion for public history and the SCH. She shared doubts about readiness of adobe exterior work due to limited supplies.

Fletcher: Rio Nuevo is experienced with adobe work with the college building across the street: they understand the cost and time it requires.

Sherry: Asked if SCH is on the National History Register.

David: It is on the Federal and State, but not City of Tucson's.

Fletcher: Committed to register it with the local historical commission.

Sherry: Voiced her trust in this organization to do the restorations.

David: This is not a matter for an active vote – yet. Today is to discuss the findings of the Restoration Estimate and its impact on AHS' stewardship needs

for the SCH. The conversation remains open with Fletcher, Michael, and Betty, as well with Marc from Borderlands. The next steps will follow up with Fletcher after Rio Nuevo's board meeting on Tuesday, May, 26th, and we await an update and/or formal proposal. Both tenants will continue to be involved in this process and in the review of any contract.

Fletcher: If approved by his Board, they will make an offer. They have an attorney ready to work on the deed. He understands the legal complications but has no reason to believe it cannot be done between now and the end of June.

Linda: Do Michael and Betty have the full support of their organizations?

Michael: Expressed the high interest in the house from a historic value. Their goal is to move as fast as possible to start engaging and getting the communities involved. They want to grow with the community and transform the museum into an asset for the community.

Betty: Agreed. One exhibit they launched before the pandemic "Rancheros y Familia," was well received locally and toured to "Rayito Down" to much acclaim, allowing many families to be represented.

Greg: AHS is not only responsible for the Sosa-Carrillo House, but for other houses made of adobe. He suggested AHS should form a committee to address this. He vocalized his support for Rio Nuevo's proposal.

Sherry: Building stewardship is important, but AHS needs the capability to maintain it, making a special note on those who are made of adobe. RN would be an amazing steward; she trusts that SCH will come back to AHS in a better condition.

Colleen: Suggests including community members who are not part of the board on Greg's proposed subcommittee (those experienced with adobe). She requests any contract be provided well in advance of the next Board meeting.

David: A plan for long-term maintenance of AHS historic properties – the investment of SCH sale proceeds into a line-item "Sinking Fund" within the Capital Campaign – has been proposed by the Executive Committee and the subject will be discussed further.

b. Capital Campaign & Friends of AHS – Breeckner and Jackson

David: Introduces Becky Jackson, the new interim Executive Director of the Friends of AHS and its Capital Campaign. Becky has been working with AHS and F-AHS on the Capital campaign for many months. Becky has managed 4 Capital Campaigns and developed fundraising funds for many organizations in the state.

David: Provides a review of the Capital Campaign and its dedicated funding. In 2020 AHS was gifted a property which was sold at \$1.7m. After the 2021 Feasibility Study and 2022 allocated funds for a Development Director, this fund remains at \$1.5 M. The money was approved by the Board in fall 2020 to use

towards the capital campaign; it is currently retained by AHS in an investment account managed by the State Treasurer. F-AHS has long been identified as the operating partner to run this Capital Campaign: through its assessment in the Feasibility Study, its extant handling of AHS fundraising and donor funds, and its existing fundraising contract with AHS. It was noted that the Feasibility Study revealed donors are hesitant to give money to the state with the fear that the money will be taken and used elsewhere. A 501(C)3 is more attractive.

Jim: Confirms this review and emphasizes previous Board approval of this matter.

David: Currently, AHS and F-AHS are in a recommended year to develop and prepare for the Capital Campaign's launch. F-AHS requires operational funds to begin this effort. It has requested \$200,000 for 6-months to enact the recommendations of the Feasibility Study. AHS will stipulate specific "products" and milestones to be accomplished and produced within this time. AHS has identified a path to award these funds through a state contract, using F-AHS as a single-source vendor.

Becky: The 6 month plan will focus on 4 out of 10 recommendations from the Feasibility Study, and will also see the completion of an annual working budget for F-AHS. In 6 months, they will:

1. Have a compelling mission, vision and values. Those need to be refined in a profound way. They need to be more visible.
2. Work on a strategic plan related to business and an annual operating plan.
3. Have a paid Executive Director and staff to manage these operations.
4. Financial administrator operational storage. They have an investment plan that will allow them to take funds right away, but need to develop policies and procedures for her Board.

Another goal includes strong brand recognition. The budgeted \$200,000 is a one-time cost start up, with \$49K going towards this. She will provide AHS with dashboards and monthly updates, so by the end of 6 month AHS will have a clear understanding of the Campaign's readiness and F-AHS' financial operations and expenditures.

David: F-AHS estimates a \$300k operational annual budget moving forward. With a benchmark of \$1.5m raised annually, this would constitute a 20% overhead. With the \$1.5m available for investment, this operational budget would fund 5 years of operations without any supporting revenue. This aligns with the estimate by Phoenix Philanthropy to be necessary to run this campaign. Moving forward, all Capital Campaign funds will be managed through a dedicated investment and savings account, fully separate from all other F-AHS accounts.

Ileen: Requests a written contract be presented to the Board prior to acceptance and asks details of F-AHS' proposed budget, including pay rates for and selection of F-AHS staff.

David: The F-AHS Board voted on 5/18 for Becky Jackson to serve as its interim Executive Director. At that same meeting, it approved a 6-month operating budget and scope of work. These were developed as a proposal to AHS for a contract to begin the startup on a Capital Campaign. AHS will maintain oversight and responsibility of the funds through procurement's funding-request system. This 6-month contract has been approved by the AG's office and must still be approved by state procurement. Neither contract has been written; this presentation is an update on AHS' preparations for the Capital Campaign. AHS has no control over the internal operations and Board decisions of F-AHS. We cannot "approve" their own internal budgets.

Jim: Agrees, and compares the proposed contract to the AHS Board's own approval and delegation of budgetary operations to AHS staff.

Ileen: Expresses her concern about money being transferred and how it will be spent.

David: No money has been transferred.

Ileen: Asks about the deliverables and their cost.

David: They will be written into the contract, detailing what is expected by the end of those 6 months. He shares that AHS is not stipulating how the budget will be spent internally by F-AHS, except for the expectation it will accomplish the goals ("products") of the contract itself.

Ileen: Asks if the board will see the contract; she requests a breakdown of the budget.

Colleen: Seconded.

Becky: Assures there is no problem sharing both the 6-month proposal and budget, but states that F-AHS is a fully separate 501(C)3 that will function as a foundation organization to raise money to the benefit of AHS. F-AHS will observe all obligations in that role and be as transparent as possible.

Ileen: Asks about Deborah Bateman's role.

Bruce: Deborah resigned from the friends board about 3 weeks ago. AHS is addressing what she recommended before the resignation.

Jim: Suggests that the F-AHS monthly report is sent to each AHS Board member at that time, and not be delayed until the next Board meeting (held every 2 months). He advocates to have at least one AHS Board member representing AHS on Friend's monthly meetings.

Becky: Agrees.

- c. Support group contracts: NAPHS, YCHS, Pathfinders, Tucson – Breeckner
Nothing to report.
- d. Yuma: Molina Block

David: Describes physical landscape of the Molina Block (including upcoming construction of outdoor bathrooms on the site) and the potential to develop an outdoor agriculture exhibit – a vision shared by YCHS, RCC, and AHS. A budget of \$500k-1m is estimated. Fundraising is occurring through YCHS, who are currently soliciting donors in the area for this purpose. One major donor has been identified, but requires a more definitive vision and cost to move forward. AHS will be launching a RFP procurement to solicit Design-Build firms for their proposals on the space. These proposals will provide AHS with a variety of professional interpretations on how to configure the space, including budgets, timelines, comparanda photos, and designs/maps. This will occur at \$0 cost to AHS. YCHS and RCC have voted with their approval.

Bruce: YCHS has raised close to \$500k already; this is a 10 year project in the making. He shares that they already have a donor that is going to give the rest of the money but is waiting on the final budget and prospectus for it all.

e. Strategic Plan

David: Shares SWOT Survey Summary Report on screen. Proceeds to explain the results of the Survey. Encourages the Board to read all the written responses. Explains the big takeaways, including the reveal of external vs internal perceptions and participation rates. These results provide hard data to direct priorities and actions in drafting the Strategic Plan.

7. AHS Board Status – Whitaker

Linda: Notes that there are 11 Board members whose terms expire in 2023. Application can be submitted from next spring and suggests to add it to the calendar as a reminder.

David: Encourages the Board to review the roster to be aware of their status.

Linda: Announces the resignation of Vance Bryce.

8. Committee Reports – Brief overview of committee mechanics (agendas, minutes, staff liaisons) – Whitaker

a. Executive Committee – Whitaker

See [posted minutes](#) of 4/25/22 and minutes of 5/23/22.

b. Finance – Snitzer and McQueen

Jim and **David:** Introduce Carole as the new VP of Finance and ask her to lead the presentation.

Carole: AHS has developed a simplified version of the monthly financial reports, and asks for the Board's input. She is happy to work with them to develop a

more effective version. She describes how the new report is designed and read. She apologizes for the delay and commits to have the next May report on time.
Jim: Seconds the need for Board input.

Colleen: Expresses concern that these items have not yet been discussed with the Finance Committee. She expresses her desire to resign from the Committee due to her concern about due diligence and her fiduciary role.

Jim: Asks Colleen to wait on the resignation and give the committee time to improve.

Colleen: Agrees to not resign if things are done correctly.

Jim: Commits to do it right.

Linda: Asks about adding new board members to the committee.

Jim: Assures any person with banking experience is welcome to join.

Valerie: Appreciates Carole's work and expresses no problem with adding new committee members.

David: Informs the issues that AHS is currently facing with staff shortages. He assures the Board this is something AHS is working on. He asks Board members to share their updated committee rosters to assist in that effort.

Linda: Repeats this need, and commits to contacting Committee chairs for their current rosters. Asks David to provide the Committees with their corresponding staff liaison.

c. Collections – Scott

Greg: Opens the discussion about all the items, and turns it over to Rebekah to introduce the Action item.

■ **Action Item:** Deaccession recommendations.

Rebekah: Shared via Zoom the Deaccession Recommendation Report.

Linda: Nominated the recommendations be accepted.

Ileen: Seconded.

Motion passed unanimously without discussion.

Rebekah: Flagstaff and Sunset update. The collections located within 4 Connex boxes in Flagstaff will be moved to AHS Tempe on June 20th -23rd. There will be 6 staff members attending. We are working with select members of NAPHS. This addresses a major finding from the 2013 Sunset, and will be moved onto the shelves now available through the deaccession of the Bayless Collection.

d. Community Outreach – Foster

Tom: Last meeting was productive, with one idea having AHS reaching out to its Certified institutions to request a brief self-description, social media, and photos

for use in an upcoming “On the Road with AZ History” newsletter series. Over 25 Certified Museums across the state responded. 20 responses have already been published.

Final reports from grantees among Certifieds are coming up in June, with the grant re-opening for proposals afterward.

The Committee has been working with local museums and groups (Paracon event in Globe between Clifton Berensy (train station restoration project via historic tours) and Clifton Museum) to develop local history and help prepare them for a future grant application.

e. Governance Committee Report – Corsette

Linda: Kelly had to leave, but she can speak on his behalf. She describes the depth and scope of edits enacted on By-Laws and Policies. These proposed changes have been circulated to the Executive Committee for immediate feedback before its presentation to the State Board in July (and posted with 30 days advanced notice).

Highlighted the separate addition and proposed edit to the Policies concerning “Active” vs “Inactive” Chapters. This new language comes at the request of AZ State Boards and Commissions. This will require special attention by the Board and Executive Committee.

Any member of the Board who also has an interest in these draft documents is welcome to review them, and will be sent copies upon request.

f. Properties and Buildings – Bauer

Nothing to report.

Linda: The CIP website reveals that there is over \$739m in deferred maintenance state-wide. There are 23 properties in this program, valued at \$62m; the state approved funding for only 12 for FY23. AHS was not among them.

g. Nominating – Whitaker

Linda: Will ask for 1-2 volunteers to step forward to develop a slate of non-sitting officers to sit on the Committee. Voting on these officers will occur in July, with voting to occur at the Annual Meeting in September.

Colleen: Volunteers to sit on the Committee.

9. Announcements and other matters for consideration in future board or committee meetings.

David: We have not yet reviewed or discussed the Director’s Report. This month’s report is separated into two documents: a full report and a shorter summary which highlights active and important projects, activities, or needs. He requests feedback from the Board on this new presentation.

David: I proposed an adjustment to the FY23 Budget to the Executive Committee in April. This was a time-sensitive request before vacant positions could be posted. This was a long-standing need to address staff salaries to promote recruitment and retention.

Linda: The Executive Committee has this authority to act on behalf of the AHS Board. According to the AHS Bylaws, "The Executive Committee shall have full authority to act for the Board of Directors and shall report to the Board at the next regular meeting."

David: The original FY23 Budget had a deficit of nearly \$130k. This new budget cut expenses to reduce that deficit and increased revenue projections through grants, but grows payroll expenses by \$400k. **This results in a new budget operating deficit of \$290k.** AHS has the reserves to cover this budget for 10 years. AHS has strategies to inspire legislative support for this increase in FY24.

Linda: Has the FY23 budget been circulated to the Board?

David: It was included in the Board packet for this meeting. The budget for FY24 is under construction. It will be brought before the Finance Committee and then on to the full Board for the July Board meeting.

Executive Committee Schedule: Noon and Virtual unless announced otherwise

June 20, 2022

July 25, 2022

August 22, 2022

September 26, 2022

October 24, 2022

November 28, 2022

*December 19, 2022 (tentative)

Upcoming AHS Board Meetings: Noon and Virtual unless announced otherwise

July 29, 2022 – possible in-person, Flagstaff

September 30, 2022 – Annual and Board Meeting

*November 18, 2022, third Friday at noon (tentative)

Adjournment at 2:14pm

Dated this 20th day of May 2022

Arizona Historical Society



Linda Whitaker, Board President

