

**DRAFT- Meeting Minutes for  
the Executive Committee of  
the Board of Directors of the  
Arizona Historical Society**

**August 22, 2022**

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

1. **Call to Order** – Meeting called to order at 12:03 pm by President Linda Whitaker

2. **Roll Call** – Linda Whitaker

Board members present: Robert Ballard, Deborah Bateman, DeNise Bauer, Tom Foster, Jim Snitzer, Ileen Snoddy, Linda Whitaker

Board members absent: Bruce Gwynn, Kelly Corsette, Desirae Barquin

Staff members present: Executive Director- David Breeckner, VP of Finance- Carole McQueen, Development Director- Kyle Morey, Executive Staff Assistant- Kaydi Forgia

3. **Minutes** - Discussion and action, if any, to approve the draft Minutes of the July 25, 2022, Executive Committee meeting.

Motion to approve- Deborah Bateman

Second- Jim Snitzer

Unanimously approved

4. **Call to the Public** – Consideration and discussion of comments from the public. No members of the public were present

5. **Board Status Update** – Linda Whitaker

The Board is tracking the status of three applications closely and hopes to have all county vacancies filled by the end of 2022. A brief conversation followed;

- Linda Whitaker: What is the status of Matt Hernando?
- David Breeckner: His application for the Coconino board is being processed. It may have fallen behind schedule and is now advancing forward.

6. **Committee Report:** Finance Committee –Jim Snitzer

a. **FY22 EOY report**

The FY22 EOY report will be finalized by Carole McQueen. Carole is waiting on the June 2022 report to make the finalizations. July 2022 will be the thirteenth month and will be included in the FY22 reports. Loaded and started the FY23 budget in August.

September 2nd Audit- PC/ P card, annual audit performed by the State in lieu of a full finance audit. September 1<sup>st</sup> is the first-round submission date for our FY24 budget.

Conversation that followed;

- Deborah Bateman raised a concern about our finance reports not being completed in a timely manner.
- David Breeckner conveyed to the committee that the current reports involve a complex process to reconcile. ADOA offers training to better coordinate with the state's expectations. Carole McQueen added that the complexity of and varying amounts on the current reports at different levels hinder the process. Carole expressed that she has reached out to ADOA for support and has not received direct support at this time. David Breeckner reiterated that the complexities reconciling the budget may require additional perspectives and support. In the past, available staff have been called on for additional support. This could be an option.
- Jim Snitzer and Deborah Bateman both expressed the urgency to have the FY22 EOY report completed by September 30, 2022 to present to the Full Board.
- Linda Whitaker asked, as we move forward and establish a new routine, will the reports be completed in a timely manner? Carole was able to confirm.

**b. FY24 updated budget for submission**

Follow up from meetings with OSBP and ADOA over the last few weeks. ADOA is able to help offset costs with services such as mail postage and pick up services. This service can lower AHS' expected cost of mail services by 1/3 in Tempe alone. ADOA is unable to help offset costs with additional funds.

AHS will be submitting a proposed budget to OSBP in two rounds. September 1<sup>st</sup> is the first round and November 1<sup>st</sup> is the second. September will be a baseline budget submission (continuation of the FY23 budget), allowing for minimal increases that must be justifiable. November will be a more robust submission allowing for greater increases to the budget requests. OSBP has urged AHS to take a restrictive approach to the budget. OSBP representative suggested that AHS "eat down" the \$4.5m reserves funds until exhausted before requesting more funds. This can be done by restricting a portion of the reserves and committing those funds to specific projects. We are working to remove the reserves from our balance and moving it towards a restricted fund.

The 2013 Sunset audit suggested that AHS move towards balancing our budget and removing our deficit. If AHS moves the reserve funds to restricted funds for a dedicated purpose and allocated the restricted funds to cover deferred capital improvements, refreshing exhibits, matching funds for major grants and a capital campaign with sustainable income, AHS would be in a position to argue that the \$4.5m in reserves

cannot be used for operational costs and could only be used to align with the requirements of the 2013 Sunset. The State tends to honor sunset audit requests and may be more inclined to hear requests for increased funding. Matching funds with grants applications can help AHS' argument that the reserve funds are necessary to support our efforts to grow our revenue and that we are investing our money wisely.

AHS received a \$308k increase in appropriated funds this year. Last year's (FY22) budget was \$2.9m. \$3.2m this year (FY23). \$198k is the 10% from the Governor, and the other \$110k represents unexpected additional appropriations. This increase is the new baseline for appropriated funds going into FY24. The new budget request for next year is \$3.396m. The additional \$180k is meant to resolve the \$160k deficit present in both FY23 and FY24 budgets, as well as a very modest increase to payroll of ~\$21k. This is what will be submitted to OSBP on September 1<sup>st</sup>. November 1<sup>st</sup>, AHS will resubmit the September proposal if it was not approved, will submit an updated copy removing all budget cuts made in FY23 -- asking for the \$120K in reductions back. OSBP serves to analyze and advise based on what it anticipates from the legislature and Governor's Office. They are a resource to answer the hard questions about forecasting budgets

Conversation that followed the FY24 budget update;

- Linda Whitaker asked for clarity on removing the balance off the sheet and using it as a dedicated fund. David Breeckner explained that part of the current frustration while reconciling is with the finding where the funds are being reported. The non-allocated carry-over funds rest in the State's Treasury and are invested in interest bearing accounts.
- Linda asked David to expand on what the investments were, David deferred to Carole. Carole shared an example of \$147k that is in a restricted trust fund that collects interest but the principal cannot be expended. Almost \$4.2m shows as being invested in July 2022. \$3.3m invested through the State. \$142k is invested elsewhere and can be adjusted. Adjustments are made to pay for overhead costs which allows the expendable investments to continue to draw interest.
- Linda asked if Collection Management could be added as delineation. David expressed that AHS needs to have a clear picture of the budget, be caught up to date and reconciled before additional lines can be added.
- Linda followed up, Did OSBP share how the dedicated fund should be reported? David conveyed that OSBP has not shared any specific guidance and that further conversation would be necessary. The committee will be updated once guidance has been received.

## 7. Committee Reports

### a. Outreach Committee – Tom Foster

The Outreach Committee reviewed 36 nominations for the 2022 AI Merito Award. The committee used the new rubric to guide their selection of two individuals, and one

organization, for the Board's consideration. An electronic poll sent via email is being used to document Yay or Nay responses from the Board. The responses thus far have been overwhelmingly favorable. Due to time constraints, several of the agenda items slated for the most recent Outreach Committee meeting were tabled. They will be addressed at later committee meetings starting the week of September 19<sup>th</sup>.

There was a brief conversation clarifying how the electronic polls were sent out last Friday in an email and that the email is requesting a "reply all" Yay or Nay to the selected nomination package was the electronic poll. The poll will close at the end of the month. Tom relayed to the board that the rubric helped narrow down the selections and allowed the Outreach Committee to move forward quickly with their selections

**b. Collections Review Committee (CRC) – David Breeckner**

CRC meeting not held this summer season and has been rescheduled for early September. A draft report is being developed. It provides a snapshot of the 2013 Sunset action items and their resolution by AHS over the last 10 years. The report will be finalized before the September 30<sup>th</sup> Full Board meeting.

**8. Director's Update – David Breeckner**

**a. Sosa-Carrillo House**

The lease agreements have been updated and are awaiting the Tenant's signatures. There are no new updates for Rio Nuevo. Terms remain the same, and are still subject to review by AHS and the Attorney General before being reviewed by the AHS State Board. The Attorney General will receive the lease agreements once all of the documents are complete.

**b. Capital Campaign – RFP Procurement Protocols**

Finished the RFI last month. Procurement determined an RFP was necessary. AHS submitted a scope of work outlining a 5-year total campaign program, (6 months for readiness and 4 ½ years for operation). The total budget is \$1.275m, just under our operating capacity for these funds. AHS is requesting a 30-day window to post. Looking forward to it being posted within the next week or so. It will be shared with those who have interest in seeing it.

**c. CIP Support**

\$1.5m will be honored by ADOA for AHS' CIP FY23 requests. The funds will be allocated as followed for various improvement projects; AHM in Tucson (est. \$1m- \$1.25m), Douglas- Williams House (est. \$150k), AHC in Tempe (est. \$65k) and Pioneer Museum in Flagstaff (est. \$15k). The CIP will help facilitate work on electrical rewiring, HV/AC repairs, elevator repair/ replacements, safety lighting, zone lighting controls, and water filtration improvements. \$1.5m was the full amount AHS requested for FY23; the funds will not cover the cost of all projects due to cost increases.

#### **d. Collections Acquisitions**

AHS met with the Arizona Science Center (Phoenix History Museum) to discuss the potential acquisition – ASC will donate the PHM collection to AHS. AHS will have the priority pick of most 2D and 3D collections. AHS can select themed groupings from the collection; deaccession will be necessary to store ASC acquisitions. This acquisition will improve AHS' overall collection holdings. An added donation of rolling shelves will expand AHS storage capability. There are no updates on the Phelps or AIA possible acquisitions.

#### **e. Status of hiring/impact on museums**

Development Director (Kyle Morey) and Graphics Designer (Cari Van Hecke) have been hired on. The Letter of Offer extended to the Pioneer Museum Manager candidate has been declined. AHS has one final candidate scheduled for interview, but has otherwise closed the position as it begins to explore new methods of operation at the site. AHS is looking at a possible partnership with NAU and volunteers, as well as continuing an AHS staff rotation to monitor and open the site. The "Public Museum Days" at PM are free of charge and have had a positive response. Dominique Sandoval (Guest Experience Specialist- Yuma) has submitted a letter of resignation, effective August 30, 2022. The position will be posted once vacated.

### **9. Annual Meeting**

a. Board meeting: Friday, 9/30 at 11-12pm

In-person at AHC Tempe: 2nd floor Boardroom. Virtual option will also be available.

b. Annual meeting: Friday, 9/30 at 12-2pm

In-person at AHC Tempe: Steel auditorium. Virtual option will also be available.

- Advanced registration via website will be REQUIRED. An optional meal service will be available for those attending in-person, add-on cost or sponsor provided is to be determined.
- Draft agenda items for the Annual Meeting include; Introduction of new staff, Strategic Plan, Agency Highlights Slide Show, Al Merito Award ceremony, Guest speaker, and Election of Board Officers to be held via paper ballots and online poll, and announced before the meeting's end.
- A behind the scenes tour will be available in person and virtually after the adjournment of the Annual Meeting

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

No additional announcements

Executive Committee Schedule: Noon and Virtual unless announced otherwise Click the date to register for the meeting

All meetings are hosted live-streamed via Zoom

[September 26, 2022](#)

[October 24, 2022](#)

[November 28, 2022](#)

[\\*December 19, 2022](#) (tentative)

Upcoming AHS Board Meetings: Noon and Virtual unless announced otherwise Click the date to

register for the meeting

All meetings are hosted are live-streamed via Zoom

[September 30, 2022](#) – Annual and Board Meeting, in-person Tempe

Board meeting: 11am

Annual meeting: 12pm

[\\*November 18, 2022](#), third Friday at noon (tentative)

Adjournment at 1:03 pm

Dated this 22nd day of August 2022

Arizona Historical Society

A handwritten signature in cursive script that reads "Linda A. Whitaker".

Linda Whitaker, Board President

*The Arizona Historical Society does not discriminate on the basis of disability in the administration of its program and services as prescribed by Title II of the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended. Persons with a disability may request a reasonable accommodation such as a sign language interpreter or alternative formats, by contacting*

*AHS Administration at 520-617-1169. Requests should be made as early as possible to allow time to arrange for the accommodation.*