
July 16, 2024

APPROVED-- MINUTES OF PUBLIC MEETING OF THE ARIZONA HISTORICAL SOCIETY STATE BOARD OF DIRECTORS FINANCE COMMITTEE

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

1. **Call to Order** by Linda Whitaker at 9:08am
2. **Roll Call** – Linda Whitaker
 - a. Present: Jim Snitzer, Richard Powers, Linda Whitaker
 - b. Absent: Bruce Gwynn, Sandra Navarette
 - c. Staff: David Breeckner, Vince Bradley, Melba Davis
3. **Minutes** - Discussion and action, if any, to approve the draft minutes of the [May 21, 2024](#) and [June 18, 2024 MEETING MINUTES](#).
 - a. No discussion.
 - b. Motion to accept both minutes by Richard Powers, seconded by Jim Snitzer.
Passed unanimously.
4. **Call to the Public** – Norma Jean Coulter (President, Friends of AHS) was present but declined to speak.
5. **AHS Financial Update**- David Breeckner, Sebastian Alt
 - a. AHS Organizational Updates: CFO & Assistant Deputy Director
 - i. Sebastian Alt has accepted a new position, but will continue to serve as Assistant Deputy Director overseeing Finances & Operations in a part-time capacity (19 hrs weekly). He is presently estimated to support AHS through the end of the calendar year (subject to change).
 - ii. [CFO position now open](#); interviews anticipated to begin next week.
 - iii. Melba Davis retires August 2. The Assistant Deputy Director position to be opened for double-fill in late fall, scheduled around the anticipated departure of Sebastian Alt.
 - iv. Linda Whitaker asked about continuity of signature authority. David replied that signature authority remains covered through Sebastian, CSB, and Nicola (**corrected addition**).
 - b. AHS-State Updates
 - i. AHS' OSPB Analyst, Remy Gaudin, to be replaced by Rudy Cen by July

16, 2024. Meetings to be scheduled for introductions & overviews.

- ii. Linda Whitaker requested the Finance Committee remain updated on the new introductions.

c. Revenue, Expenditures, YTD

- i. Awaiting report from CSB.
- ii. No report is available at this time; this was delayed due to EOY closeout. An update will be provided to the Finance Committee in the interim ahead of its August meeting.
- iii. EOY projections (including deficit) for FY25 are anticipated to track with the projections presented at the May Committee meeting.

d. FY25 budget

- i. David Breeckner shared on-screen a copy of the updated FY25 budget. This budget finalizes previously-shared drafts, and includes reductions to multiple items under Expenditures to accommodate for reductions in State appropriations.
- ii. Estimated revenue: **\$4,347,800.00**. Estimated expenditures: **\$4,533,074.45**
- iii. AHS' FY25 budget (numbers) awaiting final adjustments from additional details by State:
 - 1. Crosswalk adjustment – expected late July.
 - 2. Determination on proposed payroll & headcount increases (6 positions requested).
- iv. Linda Whitaker asked about expectations for these requests and timelines. David Breeckner and Melba Davis responded that no response date has been given. Unofficial responses to AHS' requests for increases to headcount and salaries have been favorable.

e. Draft FY26 budget

- i. David Breeckner shared on-screen a copy of the updated FY25 budget.
- ii. Draft copy is a build-up of the FY25 budget with minor increases to revenues projected. Confirmed draft pending confirmation on proposed increases to payroll & headcount.
- iii. Total estimated revenue: **\$4,362,300.00**. Total estimated expenditure: **\$4,547,494.45**. Projected deficit (reconciled via reserves) is estimated at **\$185,194.45**.

- iv. Linda Whitaker presented this draft budget as parameters in which AHS should plan to operate for FY26, and acknowledged the projected deficit (to be reconciled with reserves) may later shrink.
- v. Linda Whitaker asked about the possibility of changes to this draft budget before its September submission. David Breeckner responded that any significant changes to AHS' FY25 Crosswalk Adjustment could have a negative impact on its FY26 baseline appropriation amount. Earlier drafts of the FY26 Crosswalk suggest a smaller adjustment than the previous year.
- vi. Richard Powers asked about the potential impact of vacancy savings on the draft budget. David Breeckner responded that vacancy savings were observed and favorably reduced the projected deficit for FY24. For FY25, AHS has started the year and already has several listed vacancies; until filled, these will create savings for the annual budget. For FY26, the draft budget assumed AHS receives its headcount increase and that all positions are filled across the year. Any differences experienced in FY26 will create vacancy savings.
- vii. Richard Powers asked about the status of AHS grants as a budgetary item, and advocated for a larger financial goal for future grants. David Breeckner shared that there are two line items in the AHS budget for grants: State/Federal and Private. \$260,000 was set for both FY25 and FY26. AHS employs a Grants Coordinator: Jason Mihalic. In FY24, AHS submitted over \$1m in grants, but did not receive them. Linda Whitaker requested that Jason Mihalic attend Finance Committee meetings in the future, adding it as a regular agenda item.
- viii. **Action Item** to recommend draft FY26 budget to the AHS State Board for approval, supporting agency submission by 9/3/24.
 - 1. Motion by Jim Snitzer, seconded by Richard Powers. Passed unanimously.

6. Donations Management - Linda Whitaker, David Breeckner, and Vince Bradley

- a. Linda Whitaker introduced the item: clarifying language is needed on the [AHS website](#) to differentiate donor options between AHS and Friends of AHS. It needs to be made clear how to direct inquiries and what those options are.
 - Friends serves to passively accept and dispense donor monies; they do not compete with AHS for funds.

- Upcoming meetings by the Friends board will further explore their capacity and ideas to inform AHS' future plans.
- b. Vince agreed that AHS has multiple ways for donors to give, but that it is not always clear what those options are. He has researched how other State Historical Societies resolve this, and shared on-screen a [“Donor Guide”](#) developed by the [Nevada Historical Society](#). Over the next quarter, Vince will adapt and develop a similar guide for AHS. This guide would include FAHS and its unique AHS-managed funds.
- Most State Historical Societies have a very simple, single donation button on their giving page.
 - Vince will introduce new language on the donation page of the website that identifies the “general operations” support of the donate button and to contact Vince for additional or restricted ways to give. Ensuing 1:1 conversations will further support AHS' donor relations.
 - Jim Snitzer requested that the new guide should include instructions on how to donate, including stocks, credit, etc for both AHS and Friends.

7. **Announcements** and considerations in future board or committee meetings.

8. **Adjournment** by Linda Whitaker at 9:58am

Arizona Historical Society State Board of Directors

DATE: July 19, 2024

Linda Whitaker

Linda Whitaker, Treasurer and Finance Chair

Finance Committee Meeting Schedule
Virtual unless announced otherwise

Enter Hyper Links Next Meeting Dates	
July 16, 2024	October 15, 2024
August 20, 2024	November 19, 2024
September 17, 2024	December 17, 2024(tentative)