

**DRAFT – Meeting Minutes of the
Finance Committee of the
Board of Directors of the
Arizona Historical Society**

January 16, 2024

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

Agenda

1. **Call to Order** – Treasurer Linda Whitaker
2. **Roll Call** – Linda Whitaker
Members:
Present: Linda Whitaker , Eric Flohr, James Snitzer, Sandy Navarrete, Richard Powers
Absent: Bruce Gwynn
3. Staff: Vincent Bradley, David Breeckner , Sebastian Alt
4. **Minutes** – Discussion and action, if any, to approve the draft Minutes of the November 21, 2023 Finance Committee meeting.
5. **Call to the Public** – no members of the public present
6. **AHS Financial Overview** – Vincent Bradley
 - a. Introduce Sebastian Alt
 - b. Funds Restructuring: The committee discussed the restructuring of the society's financial structure, including the renaming and clarification of various funds. New funds were created for specific purposes such as operational reserves, capital projects, facilities and sites, matching grants, collections and exhibits, and education. These funds will be utilized for deficit budgets, large projects, property management, grants, and operational needs. The restructuring aims to enhance fund tracking, accountability, and support major projects.
 - c. Grant Programs: The committee approved a \$50,000 grant request to support the operations of the Yuma facility. Staff have formalized the process for grant requests for other sites, involving submission through site operators, review and approval by the Finance Department and Facilities Department, and final approval by the Buildings Properties Committee or the full State Board or executive committee. The goal is to provide equal opportunities for participation.
 - d. Budget Update: The society provided an update on the budget, reporting

December revenues of \$133,000 and expenditures of \$204,000, resulting in a net negative balance of \$70,000. However, considering the closure of the society to the public during that period, the impact is not significant. Year-to-date, the revenue was \$583,000, and the expenditures were \$1.9 million. The society also received \$1.57 million in state allocations that need to be considered.

- e. Revenue Projection: The society revenue of \$583,115.60 year-to-date as of December 30, with expectations of breaking a million dollars in revenue and having approximately \$3.8 million in expenditures for the year. They anticipate being ahead by \$293,000, with the difference being due to how/when the State pays out the allocations. Revenues from journals and rentals show growth compared to the previous year.
- f. Surplus in Fiscal Year 23: The society had originally planned for a deficit in fiscal year 23 but ended up with a surplus of \$120,000. The surplus resulted from savings in payroll vacancies, staffing allocations, facility closures, and minimal operating costs.
- g. Partnering with Regional Partners: The committee discussed potential partnership arrangements with regional partners to expand membership and create interactive partnerships with smaller museums. They raised questions about reflecting cost savings from closing sites in the budget and whether to eliminate the deficit or reinvest it in the remaining facilities.
- h. Budget Drafting and Grants: The committee discussed the timeline for drafting and finalizing the next budget, emphasizing proactive efforts and early submission. They briefly discussed tools for dealing with grants but did not provide additional insights.
- i. Concerns Regarding Budget Line Item: Linda Whitaker raised questions regarding a concern expressed by Vince Bradley in the previous minutes regarding a nearly depleted line item in the budget. Staff explained that the line item in question is the administrative operating budget. Some were allocated incorrectly. Staff is working on reallocating the funds and have identified misallocated expenses and increased spending in certain areas. There is comfort in having operational reserves to cover any overages and emphasized the need for more accurate budget allocations in the future.
- j. Legislative Push for Property Transfer: The committee was informed about a legislative push by Yuma community members to transfer AHS properties in Yuma to the city of Yuma, which would permanently impact the Society's holdings and assets. No action has been taken yet, but the committee is aware of the development.

- k. Contract with CSB: Linda Whitaker raised a question about the ongoing contract with CSB, a service the organization has been relying on for financial management. Staff acknowledged becoming less dependent on CSB and expressed optimism about handling the work internally in the future. However, they hesitated to eliminate the contract immediately, highlighting the importance of CSB's support during the transition period and training of new staff. The committee discussed scaling back or reducing the contract after the upcoming fiscal year's budget submission.
- l. Staff Performance and Revenue Generation: Staff was praised the staff for their strong performance in event rentals, surpassing last year's revenues and being on track to exceed this year's projections. Despite not having a Rental coordinator in Tempe, they acknowledged the staff's efforts and contributions to revenue generation.
- m. 990 Form Filing: The committee discussed the status of the 990 form filing and emphasized the importance of completing it within the next two weeks to avoid further delays. Staff expressed confidence in gathering the necessary information and submitting the form within the revised goal.
- n. Board Members' Work and Grants: The board members discussed the need for better organization and tracking of grants. They expressed interest in applying for smaller or local grants in addition to larger ones. They emphasized the importance of reporting well and achieving success with grants to increase future opportunities.
- o. The board members also discussed the extension of the society's sunset and their opposition to consolidation with other organizations.

7. **Adjournment** – Linda Whitaker

Dated the 19th day of January, 2023

Arizona Historical Society

Linda Whitaker

Linda Whitaker, Treasurer

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Finance Committee Schedule: 9:00 a.m, third Tuesdays of the month and Virtual unless
announced otherwise

Click the date to register for the meeting

All meetings are hosted live-streamed via Zoom

January 16, 2024

February 20, 2024

March 19, 2024

April 16, 2024

May 21, 2024

June 18, 2024

July 16, 2024

August 20, 2024

September 17, 2024

October 15, 2024

November 19, 2024

December 17, 2024(tentative)