



Approved Minutes  
Science Museum of Virginia  
Finance Committee Meeting  
2500 West Broad Street  
Richmond, VA 23220

Zoom Meeting

October 22, 2020  
10:00 a.m.

Present: Dr. Richard Groover, David Mills, Dr. Denise Walters, John Benton

Staff Present: Rich Conti, Beth Voelkel, James Blow, Kyle Smith

Dr. Groover called the meeting to order at 10:01 a.m.

**Introduction and Greeting**

Mr. Conti introduced newly-appointed Trustee John Benton. Mr. Benton has worked as a Chief Financial Officer with the Smithsonian and brings a wealth of knowledge and expertise to the Board. Mr. Benton shared his experience with the National Air and Space Museum and expressed his excitement about the Museum's upcoming Northern Virginia Project.

**Approval of Minutes**

Dr. Groover invited the committee to review the meeting minutes from the June 18th, 2020 Finance Committee Meeting and asked for any questions or amendments to the minutes. With nothing heard, Dr. Groover called for a motion to approve the minutes. Mr. Mills made the motion, which Dr. Walters seconded. Dr. Groover called for a vote and the minutes were approved unanimously.

**FY 21 First Quarter**

Mr. Conti reviewed the following:

- With the Museum being closed to the public for six months, earned revenue numbers are down as expected.
- As of the meeting date, the Museum has been open for six weeks.
- Extreme cost control measures have been taken across the board.
- Every expenditure, great or small, is now pre-approved by Ms. Voelkel or Mr. Conti.
- Prior to the closure, payroll was running at \$525K per month, after adjustments, payroll now running at \$375K per month.
- Current payroll expenses still include a significant amount in severance packages.

- The Museum will continue to pay large amounts to unemployment as well as severance pay until the end of the calendar year.
- Beginning January 2021, expenses associated with unemployment and severance will start to drop
- The reduction in staff numbers has led to a fundamental restructuring in operations
- Restructuring creates opportunities to innovate as the Museum continues to operate and considers bringing additional staff back.
- Attendance numbers stand at about 40-45% of year over year comparisons
- More members are attending than the general public.
- Admission caps stand at 20 guests admitted per 15-minute window at present.
- Current attendance numbers on a typical day are not generating enough revenue to cover operating expenses.
- Memberships are holding steady at 7,400 households, compared to our peak of 8,000 member households

Dr. Groover offered compliments to the Museum administration on the effectiveness of cost control measures that have been implemented. Dr. Walters offered further compliments to the staff who have taken on multiple roles.

Mr. Conti shared the following details on the Trustee Summary:

- Revenue from the General Fund stands at \$5.6M
- Revenue for admissions stands at \$19K for the first quarter, in comparison, this amount could normally be generated in a single day during a summer exhibit.
- No school field trips and very few special events are planned for the season
- Funds have transferred from Foundation for operational support.
- A primary revenue source is the rent from the Workers Compensation building lease.
- Compared to same period last year, payroll has decreased by \$500K
- In total, expenses have been reduced by \$1.1M year over year.
- Cash on hand for working capital is \$1.9M.
- Trustee Discretionary Funds in the Foundation side stand at just under \$1.1M.
- Restricted Funds are still available as well if needed.

Dr. Groover commented about the Virginia Senate paying for the use of the Dewey Gottwald Center, and also asked for clarification on who is renting the Workers Compensation building. Mr. Conti replied that it is the Virginia Tourism Film office, who in turn, leases it to Monumental Films. Currently the rental payment is \$35k per month. The Museum is still exploring a long term lease agreement with VCU for the same space.

Mr. Conti continued:

- The Museum has seen fewer special events cancelations than expected.
- The Senate continue to use the DGC space for the special session, which generates about \$3k per day
- The Senate plans to come back to the Museum for one day in November and then again in January and February of 2021
- The Washington Football Team Training Camp will continue to pay rent, as the team occupies the Bon Secours facility
- Shop4Science is open for retail shopping.
- The Northern Virginia Project will reimburse a portion of select staff salaries for ongoing work done on the project, equating to about \$25k per quarter
- Another recovery from the Danville project, which is progressing very well

Dr. Walters asked about the possibility of offering online sales for Shop4Science. Mr. Conti shared that at this time the Museum is not pursuing that line of business, as the Museum does not currently have the staffing or infrastructure in place to fulfill online orders.

### **Capital Project Update**

Mr. Conti provided details on the ongoing Capital projects:

- The Danville project has brought significant private support to aid in expenses.
- The Danville Science Center is on track to reopen on November 12th
- Construction on the Parking Deck is fully underway
- The Foundation is working to raise the private funds for the Green Space.
- *Planet Shark: Predator or Prey* will come back in summer of 2022.
- Marketing has successfully negotiated the rescheduling of the major upcoming exhibits to later dates with very little money lost.
- *Giant Insects* has been extended to January of 2021.
- From February to September of 2021, the Museum will host *Mind Matters*, an exhibit focusing on mental health
- The summer 2021 exhibit will be *Tyrannosaurus: Meet the Family*
- *Hot Wheels Race to Win* has been postponed to Fall 2021.
- The exterior of the Northern Virginia Science Center is in the design phase.
- The preliminary design focuses on accentuating a clean modern feel at the entryway and a transition to a more natural feel on the north facade which abuts a nature preserve.
- The Northern Virginia project in total is a \$78M endeavor.
- The design phase is focused on bringing the concept of “the Cloud” to life.
- The street-level floorplan and the nature-level floorplan are in the beginning stages of schematic design.
- The designs will go to the state for the first major review in November
- Loudoun County has yet to approve re-zoning of the entire development area.

Mr. Conti shared images of the Danville rebranding, remodeled spaces, and new exhibit features. Mr. Conti also shared images showing the progress of the new Parking Deck. Dr. Groover asked to be sent an invitation to the Danville Science Center reopening.

Dr. Groover asked who the corporate sponsors are at Danville. Mr. Conti responded that the biggest sponsor is the Danville Regional Foundation, which gave \$3M to the project. The Kiwanis International is also a large sponsor. Five gifts amounted to \$9M to the project.

Dr. Groover asked who the General Assembly representative is in Loudoun County. Mr. Conti replied that there are several. Senator Howell, the Senate Finance Chair, is a great advocate for the project, which has bi-partisan support.

Dr. Walters asked if any of the current Museum programming and promotions features the Museum's recent work on urban heat islands and redlining. Mr. Conti replied that Dr. Hoffman and the team's work has received a lot of attention, including a feature in the New York Times and National Geographic.

### **State FY 21 Budget**

Ms. Voelkel provided details and review of State Finance:

- Close of FY20
- The Finance team is currently made up of two full time employees and one part time employee.
- At the close of the Fiscal Year the Museum receives a series of attachments from the State, including performance contracts, leave liabilities, debt, balances for petty cash, deferred revenue, general funds, and a capital project review.
- FY21 Budget start up
- The annual Agency Risk Management and Internal Control Standards process where the Museum provides assurance of integrity of all fiscal processes and stewardship over Commonwealth assets has been completed.
- The drop in earned revenue has required a change in internal control procedures.
- Every expenditure is reviewed and approved, anything over \$10k is approved by Mr. Conti, anything under \$10k is approved by Ms. Voelkel
- Virginia received approximately \$3.1B in coronavirus relief funds, with \$4.5M allocated to museums and higher education institutions.
- The Science Museum received \$185k in relief funds
- The relief funds were used to purchase hand sanitizer stations, disinfectants, masks, informational signage, Plexiglas for barriers, styluses, and electrostatic sprayers.
- Public restrooms were converted to family restrooms from single gender.
- Relief funds were also used to purchase a higher tier Zoom account for use with digital programming

Dr. Groover complemented the Museum staff for their efforts to maintain the safety of guests and staff.

### **TWFR Review**

Mr. Conti provided an update on the Temporary Work Force Reduction plan

- All full time staff took a 10% reduction in hours and pay beginning in April.
- Mr. Conti asked for the Board's support to remove the reduction in hours and pay and restore them to pre-pandemic levels effective January 1<sup>st</sup>, 2021.

Dr. Groover asked if the restoration of pay is retroactive. Mr. Conti clarified that pay change is not retroactive, but a restoration to pre-pandemic pay levels.

Mr. Mills asked where the funds will come from to compensate for the adjustment. Mr. Conti replied that the operating budget can handle the change at current level.

Mr. Benton asked about the actual amount of pay cut. Mr. Conti replied that the cut is one working day per pay period which amounts to a 10% pay reduction.

Dr. Groover requested a motion to bring the proposal to the full Board of Trustees. Mr. Benton made the motion, which was seconded by Dr. Walters. Dr. Groover called for a vote which passed unanimously without objection.

Mr. Benton commended the staff for successfully managing the Museum so well during challenging times and under extraordinary constraints.

### **New Business**

Dr. Groover asked for any new business with nothing heard.

### **Adjournment**

With no further business, Dr. Groover called for a motion to adjourn the meeting. Mr. Mills made the motion, seconded by Mr. Benton. Dr. Groover called for a vote, which passed unanimously without objection. Dr. Groover adjourned the meeting at 1:02 pm.

The next Finance Committee meeting is scheduled for January 21, 2021.