



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

Zoom Meeting

June 17, 2021  
10:00 a.m.

Present: Dr. Richard Groover, Glenn Davidson, John Benton, JoAnne Carter,  
Dr. Denise Walters, David Mills

Staff Present: Rich Conti, Beth Voelkel, Courtney Moyer, Kinsey Peeler, Kyle Smith,  
Donald Darr, Ada Sue Siler

Other Attendees: Cynthia Norwood, Virginia State Attorney General's Office

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

**Introduction and Greeting**

Mr. Conti introduced Donald Darr. He is a personal services contractor with thirty plus years of financial experience with the State and has been assisting the Museum with budget duties and high level finance functions.

**Approval of Minutes**

Dr. Groover asked for any questions or amendments regarding the April 22, 2021 Finance Committee meeting minutes. No corrections or questions were raised. Dr. Groover then made a motion to approve the minutes and called for a show of hands vote. The minutes were unanimously approved.

**Finance Meeting Agenda**

Mr. Conti presented the meeting agenda for the committee's consideration. And added that at the end of the meeting there would be three Trustee Discretionary Fund resolutions which the Committee would be asked to review for consideration by the full Board of Trustees.

**FY 21 Fourth Quarter**

Mr. Conti discussed the following:

- Earned revenues are improving
- Cleaning expenses are decreasing and attendance is trending upwards.
- Revenues from admissions, membership and special events are currently at \$800K compared to \$4M in 2019

- \$2.4M in total expenses were cut which included \$1.5M in payroll and severance pay. Losses were covered with facility space rentals by the Virginia Film Office and the VA State Senate
- The Museum continues to have strong working capital reserves of close to \$2M and discretionary funds of \$1.1M
- General education restricted fund balances (\$600K) can be used if cash assets are needed
- The Museum has applied for a Shuttered Venue Operators Grant, but no award has been made yet
- Attendance restrictions due to COVID have been lifted, with attendance numbers approaching normal levels.
- Gift shop sales have rebounded strongly, with guests spending approximately \$3 per transaction on average
- Special events are scheduled to bring in \$300k in 2021.
- The Worker's Compensation Building lease with the Film Office expires in August.
- Talks are being held to extend the current lease through February 2022.
- Discussions with VCU on the disposition of the Worker's Compensation Building are continuing.
- The possibility of using CARES money to infuse a \$10m investment in the building has been raised, but the outcome of the discussion with VCU cannot be predicted at this time.

Dr. Groover asked what is being done about the drop in memberships, which have declined from 8,000 households down to 3,000. Mr. Conti replied that limiting transactions at the front desk reduced the number of membership renewals, but this restriction has recently been lifted, which should have a positive impact on renewals and the sale of new memberships. Mr. Conti added that Ms. Moyer has a detailed plan which would be discussed later in the meeting.

Dr. Groover asked about Planning and budget moving funds not spent. Mr. Conti stated that moving forward Planning and budget will be removing excess funds not spent, and added that this is why working capital is being reduced to \$1M. Mr. Darr added that the Museum does not want to carry too much of an overage on operating funds so these must be managed as carefully as possible.

Dr. Groover asked if the Washington football club was coming back. Mr. Conti said that the Museum is considering all alternatives at the time, but there is not a final disposition yet. Mr. Benton asked when the restrictions on special event attendance ended, Mr. Conti replied that these were already lifted, and many of the postponed special events were now beginning to be rescheduled, and added that the expectation is that it will be a very busy year.

**Proposed 2022 budget.**

Mr. Darr discussed the following:

- The 2022 budget was extremely challenging due to artificially low spending and revenue
- Each department head was asked for a line by line budget estimate.
- Adjustments can be made based on input from the Committee

- The budget is conservative and it will be easier to make additions than to make cuts
- For 2022 a \$8.7M budget is recommended, which is less than the approved 2020 budget amount.
- The 2022 budget does not include any grant funds.
- Does include \$210k in General Assembly funds for enhanced security, summer staff wages, volunteer services, exhibits, and marketing.
- Revenue estimates are conservatively set at \$3.1M which is a slight increase from last year's \$2.4M.
- FY2022 budget enhancements should be reviewed quarterly with each department head to monitor spending and redeploy funds as necessary.
- Mr. Darr is going to hold a quarterly review with the department heads to review actual revenues and make any necessary adjustments
- The Museum should explore acquiring a new budget software package to produce real time financial reports, strengthen accountability, and ensure budget transparency.

Dr. Groover asked why there is a separate item in the budget for enhanced security. Mr. Conti explained that Mr. Darr allocated \$210K for enhanced security, but added that this occurred pre-COVID and may not be relevant now.

Mr. Smith then discussed the following regarding the budget process:

- A list of the top three items from each department's "wish list" was obtained from each department head
- The actual revenues and expenses for FY2019 and FY2020 were used to develop FY2022
- The goal was to be conservative during the planning process
- Some of the budget items considered included labor costs for planned additional staffing following the lifting of COVID restrictions, and additional costs such as media services.

Dr. Groover asked for some details about The Green curator position. Mr. Conti described it as an interpretive caretaker position, projected to be added as a full time position in FY2022. Mr. Conti added that the department directors' wishlist items were provided and that they will be covered by various grant monies not yet known or assigned. Mr. Smith asked if there were any further questions regarding the budget. With nothing heard Mr. Conti asked the Committee to vote to forward the proposed FY22 to the full Board of Trustees.

Dr. Groover asked if there was any further discussion. Mr. Benton commended Mr. Darr and Mr. Smith for their efforts on the budget process, and added that the quarterly review is an important addition. Mr. Benton then made a motion to approve the FY22 budget as presented, Dr. Walters seconded the motion. Ms. Carter asked a question regarding what the process would be for making necessary changes necessary during the year. Mr. Conti stated the Museum would monitor financial performance during the year and if circumstances required a significant change, the matter would be brought to the Board in January. Hearing no further discussion and with the motion on the table, Dr. Groover called for a vote, which passed unanimously without objection.

### **Capital Project Update**

Mr. Conti discussed the following:

- The General Assembly allocated \$5M to the Museum for critical facility infrastructure upgrades and safety modifications including HVAC, training wall, facade repairs.
- \$7.5M to create The Green is planned to be funded from private sources, with no public funding allocated at this time. A debt review is scheduled for July.
- The parking deck is now estimated to fully cost \$13.8M. with \$5.4M left available in funding to complete the project
- The Northern Virginia Science Center and other pool projects are awaiting further discussion.
- Building maintenance is currently receiving its remaining balance of \$834K.
- An additional \$690K in maintenance funds will be coming from the current budget to fix the HVAC, conduct building facade repairs, and begin renovations to the parking lot entrance and exit space.

Mr. Conti then called for questions with nothing heard.

### **Marketing Report**

Ms. Moyer reviewed the following:

- Attendance numbers are trending strongly upward, even after the \$10 Wednesday promotion ended
- April and May saw 13,000 visitors each month
- Memorial Day attendance was strong
- The new website has been launched, complete with the capability to translate the site into Spanish on demand.
- A new Facebook algorithm for business specific pages is not allowing the showing of organic posts, so more expensive boost posts will have to be used
- *Hot Wheels: Race to Win* is arriving soon, and may extend until April 2022 to fill the gap in the Garner Gallery schedule.
- Staff members will be travelling to Minneapolis to view *Skin: Living Armor, Evolving Identity* ahead of its run in 2022
- *Planet Shark: Predator or Prey* will return for Summer of 2022
- *Space: An Out of Gravity Experience* will run in the DGC for Summer of 2023
- The lead time allows Museum Staff to visit the exhibits and determine how to best market these exhibits in the region.

Dr. Groover asked if the Museum was pursuing any work on partnering with the Hispanic Chamber of Commerce. Ms. Moyer responded that efforts are underway to cultivate a relationship and better serve the Hispanic community.

Dr. Groover how often wedding events interfere with exhibits in the DGC. Ms. Moyer responded that there is coordination with Special Events to minimize scheduling conflicts and maximize DGC usage. At this time the exhibits that are scheduled will not conflict with summer special events.

## **Foundation Update**

Ms. Peeler discussed the following:

- Net memberships are down, however, new extended memberships are increasing
- Currently no in person fundraising is occurring
- Some corporate sponsorship commitments are switching pledges to the Annual Fund
- Other generous donors are channelling their support to the Annual Fund
- \$1.76M has been raised so far for The Green
- Overall, the Foundation's bottom line has a 125% increase resulting in projected support to the Museum of \$2.36M for restricted and unrestricted expenses.
- The Annual Fund is increasing and is currently \$30K from its goal. 87% of the Trustees have made a gift to it.
- An initial Green Donor Recognition program spreadsheet was presented to the Committee, and details where the donated money will be applied in The Green project.

Dr. Groover asked why there was not a 100% Trustee participation in the Annual Fund. Ms. Peeler said that some Trustee contributions were made to The Green initiative instead of the Annual Fund. Also, their contribution timing may be off and she feels there will be a 100% contribution rate at the end of the year..

Dr. Groover asked if there were any questions. Mr. Mills asked for a copy of the Green donor program slide, and Mr. Benton asked for it to be shared with the entire Board. Dr. Walters asked if these Green donor contributions will be available on the website, or kept confidential. Ms. Peeler said this is under discussion because there is no unanimous donor opinion on declaring how to honor these gifts, but most likely a hybrid presentation will be tried. Mr. Mills asked if this will be advertised to members. Ms. Peeler said that the plan will be to publicly publish gifts whenever possible. Mr. Conti added that there will be grant opportunities which will likely require a public matching requirement, and added that The Green is planned as a three year project.

## **Proposed TDFs - Trustee Discretionary Fund Transfers**

Mr. Conti presented the following Trustee Discretionary Fund requests for the Board's consideration:

**Resolution# 003-2021** Interior space refurbishment. Allocate \$75K in TDF for moving offices and refurbishing fixtures.

Committee agreed to decide on whether or not to support any or all three resolutions after hearing all of them.

**Resolution# 004-2021** Hire a **DEAI (Diversity, Equity, Accessibility and Inclusion)**  
Allocate up to \$150K in TDF to hire a DEAI consultant..

Dr. Groover asked if the DEAI contract would be procured through the state system. Mr. Conti said yes, and added that time has been spent examining various firms and settling on contractors who could successfully help management, staff and Trustees in dealing with these issues and policies. Mr. Mills asked if a holistic approach, looking at all facets of Museum operations would be used. Mr. Conti said that it would. Mr. Davidson added that all agreed in previous discussions to add recruiting, promotions, compensation and personnel activities would also be considered.

**Resolution# 005-2021** Resolution to create two chair positions

1. The Virginia Ellett Director of Education Chair
2. The David and Jane Cohn Scientist

Dr. Groover called for the group to vote on endorsing the TDF resolutions and sending them to the full Board of Trustees for their consideration. Mr. Benton made the motion, which was seconded by Mr. Mills. Dr. Groover called for a vote which passed unanimously without objection.

**New Business**

Dr. Groover asked if there was any new business. Dr. Walters shared that Board engagement was being discussed and there will be a push on all members to actively participate. A new process will soon be in place to address this issue.

**Adjournment**

With no further business heard, Dr. Groover adjourned the meeting at 11:12 am.

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