



APPROVED Minutes  
Science Museum of Virginia  
Finance and Business Operations Committee Meeting  
RF&P Railroad Company Forum  
2500 West Broad Street  
Richmond, VA 23220

January 20, 2022  
10:00 a.m.

Present: Dr. Richard Groover, John Benton, Dr. Denise Walters, Cristina Ramirez, Patricia Nicoson, Eucharia Jackson, Alex Kurland

Staff Present: Rich Conti, Beth Iglehart, Kinsey Peeler, Kyle Smith, Jim Blow

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

**Call To Order**

Mr. Benton called the meeting to order at 10:04 a.m.

**Approval of Minutes**

Mr. Benton asked Trustees in attendance to review the draft meeting minutes from the June 17, 2021 and October 21, 2021 meetings. Mr. Benton made a motion to approve the minutes with a few minor corrections. Ms. Nicoson called the second. Mr. Benton then called for a vote which passed unanimously without objection.

**Agenda and Overview**

Mr. Conti discussed the following:

- The Finance and Business Operations meeting will run about an hour.
- The Education Committee meeting will commence at 1 p.m. All are welcome to attend.
- The full Board of Trustees meeting is at 3 p.m.
- A draft resolution will be presented later in the meeting as an action item.

**FY 22 First Half Overview**

Mr. Conti discussed the following:

- Overall the financial state of the Science Museum is very favorable.
- Expense controls proved to be highly effective at keeping the budget balanced during the pandemic.
- The Science Museum anticipated a 15% cut in general fund revenue, which did not actually occur.
- Earned revenues were higher than anticipated.
- Annual fund contributions exceeded projections.
- Fundraising for The Green yielded several major estate gifts.
- The Science Museum received a \$2.4M gift from the estate of Virginia Ellett.

- The Education Director position has been endowed and renamed the Virginia C. Ellett Director of Education.
- An additional gift from David and Jane Cohn provided an endowment to create the David and Jane Cohn Scientist at the Science Museum of Virginia, which will be held by Dr. Jeremy Hoffman.
- John Roberts gifted the Museum an additional \$2M.
- All three of these gifts brought over \$5M total in the past year.
- The Science Museum was awarded \$2.3M in federal grant funds through the Shuttered Venue Operating Grant (SVOG) program.
- Between the SVOG and large gifts, the Science Museum is in the best fiscal shape it has ever been.
- The current bolstered financial position will allow for the Science Museum to be built back stronger than ever.
- There is still some uncertainty concerning the group visit/field trip market.
- Event rentals are regaining some momentum, but while weddings are booking, corporate events are not booking near pre-pandemic numbers.
- Additional funds have allowed the Science Museum to undertake several one-time projects.
- Renovation of the Discovery Room to a state-of-the-art classroom is scheduled to begin shortly.
- A large parcel of property behind the parking deck will also be renovated soon.
- Construction on Phase I of The Green is scheduled to commence within the next few weeks.
- The staffing level is currently lower than it should be. The Science Museum is trying to expand staff levels strategically.
- A new volunteer coordinator has been hired, and the program is slowly coming back.
- The Science Museum will be offering paid internships this summer.
- Currently the Trustee Discretionary Fund and Working Capital balances are higher than usual, and will need to be spent down to a more reasonable level.

Mr. Benton then introduced Mr. Smith to review the financial reports.

### **FY 22 Mid-Year Financials**

Mr. Smith discussed the following:

- The financials are currently in positive territory, well above the budget.
- The Science Museum did not need to draw as much as projected from Foundation funds.
- One revenue area still behind is special events and facility rentals, mostly due to pandemic restrictions.
- Personnel expenses are currently just below budget.
- SVOG funds have been incorporated into the budget.
- \$1M has been earmarked for The Green.

### **Governor's Budget**

Mr. Conti discussed the following:

- The Science Museum received funding in nearly all requested areas.
- Year 2 funding for the Northern Virginia Science Center was not awarded.
- Payments to the Master Equipment Lease Program (MELP) that the Science Museum used to fund the 2014 digitization of The Dome are now complete.

- Upgrades to The Dome are currently in the planning stage, and MELP funding will be used again to finance the project.

Mr. Benton asked for clarification on the upcoming Dome renovation. Mr. Conti stated that the new projection system will change from Christie projectors which use bulbs, to a fully digital laser-based system consistent with current industry standards. A laser system will be brighter, more detailed and will require less maintenance.

### **Capital and Maintenance Reserves**

Mr. Conti discussed the following:

- Traditionally the Science Museum requests capital funds from the Governor's budget, this year the Science Museum asked for operating funds.
- The new allocation of operating funds will allow for positive improvements, such as a return to 24/7 security and a new staff horticulturist.
- An additional \$1M in maintenance reserve funds were allocated this next year and will need to be utilized.
- The parcel of land behind the deck is set to be redone with maintenance reserve funding.
- The Northern Virginia Science Center officially submitted preliminary building design drawings yesterday.
- The critical facility infrastructure plan includes upgrades to the HVAC system, exterior repairs and repairs to the retaining wall.

### **SVOG Budget Details**

Ms. Iglehart discussed the following:

- Per the federal grant guidelines, a SVOG grant request amount was based on COVID's impact on reported earned revenues.
- The Science Museum was awarded \$2.3M in funds.
- As of last week, approximately \$700K of SVOG funds have been spent.
- All funds must be spent by June 30, 2022.
- All expenditures must be categorized and tracked for reporting purposes.
- Budgeted items include traveling exhibits rentals, film leases, film royalties, purchase of upgraded equipment and building improvements.
- SVOG funds will allow for reallocation of general fund money for other expenditures.

### **Audit**

Ms. Iglehart discussed the following:

- The report and findings of the agency-wide audit performed by the Auditor of Public Accounts (APA) is provided in the Trustee packet.
- This was part of a relatively new audit approach for the state.
- The APA has divided all the state agencies into two pools: Pool 1, which does not undergo a full audit every year, and Pool 2, which goes through a full audit every year.
- Currently, the Science Museum is in Pool 1 and is required to complete an internal control review, which it did in November 2021.
- Following submission of the internal review, the APA responded with the following:
  - APA recommended a full annual review of all financial policy and desk procedures across all departments.

- APA noted that in FY 20 the Science Museum did not fully test the Agency Risk Management Internal Control Standard (ARMICS).
- ARMICS ensures all state agencies are following the same processes.
- The Science Museum did verify that in FY21 all ARMICS standards were met and exceeded.
- APA further recommended that the Science Museum develop a process for completing all bank reconciliations on time.

Mr. Benton complimented the Science Museum staff for its transparency with the Board regarding the APA findings and ongoing efforts to improve operations.

### **Marketing Report**

Mr. Conti discussed the following:

- Attendance from October to December was around 61K, far better than the previous year, but far behind pre-COVID figures.
- Currently attendance is comparable to 2014 figures.
- Groups are slowly returning but are still significantly lower than recent years.
- Model Railroad performed well. The pre-COVID show saw 12,000 guests in three days. Last year saw 2,500 guests. This year saw about 8,000 guests.
- Retail is performing extremely well, and is breaking previous sales records.
- Previous investments from Trustee Discretionary Funds in the new ticketing system and website has yielded significant dividends.
- Membership numbers are rebounding slowly, with more guests renewing and purchasing memberships online.
- The Museums for All program has grown to over 1,500 memberships.
- The Danville Science Center has completed a \$9M renovation.
- Team Marketing is working on building the social media following for the Danville Science Center.
- Giant screen films *Birth of Planet Earth* and *Antarctica* are performing well in The Dome.
- Traveling exhibition *Skin: Living Armor, Evolving Identity* arrives in April 2022 and will run in the Garner Gallery.
- Traveling exhibition *Planet Shark: Predator or Prey* arrives in May 2022 and will run in the Dewey Gottwald Center.

### **Foundation Update**

Ms. Peeler gave highlights of the Foundation operations:

- The Foundation is in a strong financial position.
- Currently holdings exceed \$35M in assets. Most of the funds are held in endowments, with \$8M currently in cash.
- Current projections anticipate \$4.5M in support will be given to the Science Museum through restricted and unrestricted funds this fiscal year.
- Fundraising for The Green has generated about \$2.8M thus far.
- The Annual Fund is currently at about 77% of its goal of \$550K.
- The Up and Atom women's leadership breakfast and initiative will be fully virtual this year, and is set for March 3, 2022.

Mr. Conti added that prior to 2008, Foundation investments stood at approximately \$14M. During the 2008 economic downturn, investments dipped to about \$10M, and currently investments stand at about \$25M.

### **Looking Ahead**

Mr. Conti discussed the following:

- COVID management is still a key focus operationally.
- The Science Museum is constantly reviewing, gaining insight, improving and growing.
- The Green will begin to take shape over the next six months.
- Land negotiations for the Northern Virginia Science Center have delayed the building phase.
- The land will still need to be transferred to the state, but the building design process will continue to move forward.
- Exhibit designs for NovaSci are complete.
- Recruitment of good talent for open staff positions and training to suit the positions is a priority.

### **Resolution #001-2022 Approval of Funds Transfer for Staff Bonus**

Mr. Conti discussed the details of the proposed resolution:

To recognize the commitment and dedication of the Science Museum staff members during unprecedented circumstances caused by the COVID-19 pandemic, a one-time transfer of \$160,000 from the Trustee Discretionary Fund to the Science Museum operating account is proposed. The purpose of the transfer is to issue a one-time \$2,500 bonus to staff members which will be prorated depending on the number of hours worked.

Mr. Benton called for a motion to support the resolution and present it to the full board. Dr. Groover made the motion, Dr. Walters seconded the motion. Mr. Benton then called for a vote and the motion passed unanimously without objection.

### **New Business**

Mr. Benton asked for any new business with nothing heard.

### **Adjournment**

With no further items on the agenda, Mr. Benton adjourned the meeting at 10:48 a.m.

The next Finance and Business Operations committee meeting is scheduled for Thursday, April 21, 2022.