



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

April 21, 2022
10:00 a.m.

Present: John Benton, Dr. Denise Walters, Cristina Ramirez, Patricia Nicoson, Eucharia Jackson, Alex Kurland, Lauren Mathena, Fran Bradford, Gina Burgin, Steve Holdych, Anne Marie Elles

Staff Present: Rich Conti, Beth Iglehart, Kinsey Peeler, Pat Murphy, 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 10:00 a.m.

Approval of Minutes

Mr. Benton asked Trustees in attendance to review the draft meeting minutes from the January 21, 2022 meeting. Ms. Nicoson made a motion to approve the minutes. Dr. Walters seconded the motion. Mr. Benton then called for a vote which passed unanimously without objection.

Agenda and Overview

Mr. Conti gave a brief overview of the agenda and invited everyone present to introduce themselves.

FY 22 Overview

Mr. Conti discussed the following:

- The Science Museum continues to operate in an exceptional financial position
- Foundation support and the Shuttered Venue Operating Grant have had a significant positive impact on the current financial situation.
- Expense controls have continued to be a key tool to maintaining the Museum's financial position.
- The situation has changed significantly from a year ago when the budget was approved.
- During COVID, guests were limited to approximately 100 per day, with limited events and zero group activity.
- An anticipated cut in general fund revenue from the General Assembly did not materialize.

- Revenue has exceeded budget projections.
- Currently membership and admission revenues are tracking at over \$1M ahead of budget.
- The anticipated revenue for the entire fiscal year has already been reached as of March 31, 2022.
- The Science Museum is arguably its best ever financial position.
- Attendance is currently tracking at about 75% pre-pandemic numbers.
- Currently the Museum is focused on investing in infrastructure and one-time expenses.
- Staffing levels are clearly insufficient at present, and the current focus is on shifting to strategic hiring.
- Trustee Discretionary Fund and Restricted Funds are at high levels.
- Working Capital is building up and needs to be spent down.

FY 22 3rd Quarter Financials

Mr. Smith discussed the following:

- Revenues are well above budget due to admissions, memberships, and events.
- Currently the Museum is running at or below nearly every expense budget line.
- Working Capital balance is currently at \$4.2M, the goal is to keep the line at \$1M.

Mr. Benton asked about the intention to increase staffing and what that would look like. Mr. Conti replied the focus is on the entry-level part-time positions that keep that key for day-to-day operations; guest services, events, cafe, and gallery education. The Museum is still advertising for a Chief Operating Officer.

Ms. Nicoson asked about efforts to lessen energy consumption and green practices. Mr. Conti said one of the Science Museum's core values is sustainability. The Museum emphasizes choosing the most sustainable alternative in every purchasing decision. Ms. Iglehart added that the new energy contracts focus on greener and more efficient energy.

Ms. Bradford asked for more information about membership trends during and after the COVID shutdown. Mr. Conti said that during the shutdown most members did not renew their membership, and were initially slow to recover following reopening. However, the membership campaign last summer helped membership numbers recover more than expected. Pre-COVID the Museum had over 8000 member households, during the shutdown this decreased to around 4500. Currently membership households have returned to about 6600.

Capital and Maintenance Reserves

Mr. Conti discussed the following:

- The Museum received funding in nearly all requested areas.
- Traditionally the Museum requests capital funds from the Governor's budget, this year we requested operating funds.
- Maintenance reserve funds are used to repair vital facility infrastructure.
- The Museum is set to receive an increase in maintenance reserve funds.
- Historically the Museum receives around \$650K per year, but it should receive around \$900K next year.

- The Museum will undertake a \$5M maintenance project for the HVAC system, undertake facade repairs, and repair windows.
- Significant upgrades to the Discovery Room are in development.
- Improvements to the land parcel behind the parking deck are also in development.
- The parking deck is essentially complete, work is ongoing on the security camera system and landscaping.
- The Northern Virginia Science Center is in the preliminary drawing phase.
- At the end of the design phase in July, the construction budget will be set.
- The Green Phase I construction is underway.

Mr. Benton asked for the status of fundraising for the Green. Mr. Conti responded that the \$7.5M for the Green includes all phases of the project. The project budget for Phase 1 is \$3.1M. The Foundation is specifically focusing on raising the funds, and currently has about \$2.8M in pledges for Phase 1. The Foundation also received an estate gift of cash that will be used towards the project. The Museum has allocated \$1M of working capital to the project as well. The long-term goal is to set up an endowment to maintain the space.

Ms. Burgin asked about appropriations from the state or city for the Green. Mr. Conti said that the \$7.5M is the amount the state has authorized the Museum to spend on the project, but the Museum must provide the funds. No public funds have been appropriated for this project.

SVOG Budget Details

Ms. Iglehart gave an update on the status of the SVOG spending:

- Per the federal grant guidelines, the SVOG grant amount was based on the COVID-related impact on reported earned revenues.
- The Museum received \$2.3M in July of 2021.
- All funds must be expended by June 30th 2022.
- The Museum is well on track to spend the approximately \$290k in remaining funds.
- Final expenditures will go towards funding recent exhibition enhancements and energy performance contract payments.
- The SVOG funds greatly contributed to the current financial position of the Museum, allowing pre-payment of many expenses for next fiscal year.
- The Museum reimbursed \$700k in classified staff salary to General Fund revenue.
- The Small Business Administration invited businesses to apply for reconsideration for additional grant funds for the next fiscal year.
- The Museum will apply for additional SVOG funds, but the application is not likely to be approved by SBA.

Ms. Mathena asked if any of the grant funds went to Danville Science Center. Ms. Iglehart said that SVOG funds were used to purchase a new scissor lift for Danville, and added that some of the salary reimbursement were from Danville salaries.

Ms. Bradford asked about the reporting and auditing requirements for SVOG. Ms. Iglehart said that according to the Virginia Department of Accounts the Museum should not have to undergo a single program audit, because the state performs a

comprehensive audit of all federal programs. To ensure compliance with regulations, the Museum has requested written guidance on this matter from the Auditor of Public Accounts. The Museum has also requested confirmation from the Small Business Administration that the Virginia comprehensive federal audit will satisfy the SVOG compliance requirements.

Mr. Kurland asked for an explanation of classified positions. Ms. Iglehart stated that the state has classified and restricted positions. The vast majority of full-time positions at the Museum are classified, which means the Museum receives appropriations every year to help pay for those positions.

Business Operations Report

Ms. Moyer discussed the following:

- Overall attendance numbers are rebounding, the gap is shrinking compared to pre-pandemic numbers.
- Field trips are starting to return.
- March saw a total of 45 field trips with 2,800 guests.
- Science After Dark returned in January, February, and March, but these were member-only events to limit attendance.
- The April event, Science after Dark: Skin Rocks will be open to the general public.
- Member households have increased by over 600 since the last Board meeting.
- The Danville Science Center has recouped about 60 more members.
- More members are now joining and renewing online rather than at the front desk.
- Summer exhibitions are being used as an opportunity to drive membership sales.
- The summer feature exhibition will be free for members, but general admission will pay an upcharge.
- General admission prices are increasing as of May 1st.
- Adult admission is increasing to \$16 from \$15.50.
- A special group rate of \$12 is being introduced to allow front desk staff to accommodate requests for reduced rates for anyone who asks.
- Memberships will increase \$10 per level.
- Museums for All memberships will increase from \$20 to \$25.
- The Museum will continue to participate in the ASTC Passport Program, which provides reciprocal membership for participating science centers.
- Upcoming programming includes the giant screen film *Great Bear Rainforest* and *Great White Shark*.
- *Playing with Light*, *Wild Kratts: Creature Power*, and *Discover Steampunk* are all booked for the Garner Gallery.
- Summer Exhibitions in the Dewey Gottwald Center include *Planet Shark: Predator or Prey* this summer, *Space: An Out of Gravity Experience* in Summer of 2023, and a to be determined *Body Worlds* exhibition in 2024.
- The upcoming exhibitions are already contracted and many have been pre-paid.

Ms. Bradford asked what percentage of admissions is made up by members. Ms. Moyer replied that members account for about 30-35% of attendance each month.

Ms. Nicoson asked if members are issued physical or digital membership cards. Ms. Moyer replied that members are by default issued a digital membership card, but physical cards are available upon request.

Mr. Benton asked if the investment in Ticketure was proving to be worthwhile Ms. Moyer said Ticketure has absolutely been a worthwhile investment.

Mr. Benton asked for more information about summer camps. Ms. Moyer said that this year there was a limit of 20 campers per group, 6 weeks of camp, and two age groups per camp. The entire program sold out in less than 15 minutes.

Dr. Walters asked about paid internships. Ms. Iglehart said that the Museum has 35 open job postings at present, this includes paid internship positions.

Foundation Update

Ms. Peeler discussed the following:

- The Foundation's financial position continues to be strong, currently holding \$34M in assets.
- Cash accounts are presently at \$8M ready for use as needed.
- \$2M were added to endowment funds.
- Fundraising activities are on track to meet and exceed goals for this fiscal year.
- Annual Fund is the bread and butter of operating funding, and is currently at 93% of its goal.
- The Up & Atom event was held virtually in March.
- The event brought in over \$72K in support, and saved over \$25K in expenses by hosting the event virtually.
- There have not been as many multi-year pledges this year.
- \$2.8M in pledges for The Green.
- Currently the Foundation is pursuing two large challenge grants,
- One of these is the Mary Morton Parsons Foundation grant challenge to raise \$500K.
- It will be announced in May if the Foundation is awarded the grant,
- If awarded, the Foundation would have one year to raise \$500K.
- Another \$550K challenge grant award will be announced in September.
- The two grants cannot be used to match each other.
- The challenge grant funds are to be committed to The Green.

Dr. Walters asked if the Up and Atom event was recorded and available to be distributed to other potential donors. Ms. Moyer said that recording is available on YouTube.

Resolution #002-2022 Approval of Funds Transfer for The Green

Mr. Conti discussed the details of the proposed resolution:

The Board of Trustees of the Science Museum of Virginia recognizes the importance of investing resources to build The Green, a six-acre public green space on the Museum campus that will provide ecological, health and social benefits for Museum guests, including school children visiting on field trips and individuals that live and work nearby.

The Board authorizes the Museum Director to transfer an additional \$1 million from Fund 200 - Special Revenue to support the completion of The Green in the agency budget.

Mr. Benton made a motion to support the resolution and present it to the full board. Ms. Bradford seconded the motion. Mr. Benton then called for a vote and the motion passed unanimously without one abstention (from a new member of the committee).

Looking Ahead

Mr. Conti discussed the following:

- The work of the Strategic Planning Committee will be discussed at the full board meeting.
- The FY 23 Work Plan, with five main points will be presented for a vote.
- Phase I of The Green is underway.
- Going forward adjustments will be made to the hardscape around the front circle.
- Guests will be able to interact with elements of Phase I, the Museum will collect observations and use these to inform elements of Phase II.
- Northern Virginia Science Center work continues to progress at a slow but steady pace.
- Currently the structure design and details are being finalized.
- Some land ownership and transfer issues are still being worked on.
- The intent is to close on the property in September.
- The American Alliance of Museums (AAM) re-accreditation process is currently underway.
- Only 3% of science centers are accredited by AAM, the Science Museum of Virginia is one of these.
- Following the self-study portion, there will be a site visit sometime this summer.
- As part of the review of core documents, updates have been made to the ethics policy and Collections Policy.
- Reorganization of storage areas in preparation for site visit is ongoing.

Mr. Benton asked if the citations in the Ethics Policy were accurate. Mr. Conti responded that Ms. Norwood would review the document and ensure accuracy.

Mr. Benton stated that AAM accreditation is the Gold Standard for a museum, adding that it is a difficult process but worth the effort.

Mr. Benton asked about the current plan for the Workers Compensation building. Mr. Conti said that the site committee would be delivering a report this afternoon. Currently there is a new lease agreement with the Virginia Film Office through the end of the year. However, the long term plan is to demolish the building.

Mr. Kurland asked who owns the land where the Bon Secours building and the training camp site reside. Mr. Conti replied that the Science Museum has clear title to the entire 37-acre campus, including the training camp parcel. The Science Museum leased the land to the City of Richmond to use for the training camp and Bon Secours building. The site must be used solely for a professional sports franchise training facility under the terms of the lease. The site can be used for no other purpose without the permission of the Science Museum.

New Business

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

Adjournment

With no further items on the agenda, Mr. Benton made a motion to adjourn the meeting. Dr. Walters seconded the motion. Mr. Benton then called for a vote which passed unanimously without objection, and the meeting was adjourned at 11:06 a.m.

The next Finance and Business Operations committee meeting is scheduled for Thursday, June 16, 2022.