



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

June 16, 2022
11:00 am

Present: Dr. Denise Walters (teleconference), David Mills, Cristina Ramirez, Glenn Davidson, John Benton, Patricia Nicoson, Eucharía Jackson

Staff: Rich Conti, Beth Iglehart, Kinsey Peeler, Courtney Moyer, Kyle Smith, Jim Blow, Ada Sue Siler

Other Attendees: Cynthia Norwood Marquez, Office of the Attorney General

Call To Order

Mr. Benton called the meeting to order at 11:03 am.

Approval of Minutes

Mr. Benton welcomed everyone and lavished accolades on the management of the Museum. Mr. Benton noted a few minor edits for the April 21, 2022 meeting minutes. He called for any other minutes' corrections. None were heard. Mr. Benton asked for a motion to fully approve the April 21st, 2022 meeting minutes. Mr. Davidson made the motion and Ms. Nicoson seconded. Mr. Benton then called for a vote by show of hands. Motion carried without objection.

Agenda and Overview

Mr. Conti reviewed the agenda for the day.

- During lunch Dr. Franssen will discuss one of the new permanent exhibits in development, in order to provide a window into how the exhibit development process works.
- At 1pm the Education Committee will tour the *Planet Shark: Predator or Prey* exhibition with commentary provided by Timshel Purdum.
- During the Trustee meeting, a representative from HG Studio (our landscape architect) will be presenting on The Green Phase II.
- The FY 23 Budget will be presented for approval.

FY 22

Mr. Conti shared the following financial highlights:

- The Trustee Financial Summary shows FY-22 is forecasted to end very positively.
- The Museum has managed to be 10% below budget for expenses.
- Earned revenues came in at \$1.3M over projections.
- The Foundation continues to support the Museum with restricted and unrestricted funds.
- A \$2.3M Shuttered Venue Operating Grant (SVOG) made a big difference in the financial position of the Museum.
- The Museum is in the strongest financial position it has ever been.

Mr. Smith added the following comments:

- FY22 4th Quarter remained strong as expected.
- FY22 numbers indicate revenues exceeding budget in about every category and expenses below budget in every category.
- Actual utility expenses are markedly less than budgeted amount due to an offset from SVOG funds.

Mr. Smith asked if there were any questions. None heard.

FY 23

Mr. Conti gave the following considerations related to the FY23 Budget:

- Focusing on FY23 operating Budget principles, the process is multifaceted.
- Analysis of historical expenditures and revenues identified and addressed.
- During budget development, seek input from the Museum's departments to better address their unique needs.
- Throughout the budget process, the Strategic Plan work plan is constantly addressed.
- New budget proposes funding the staffing needs of The Green and Special Events.
- Compensation and wage decompression adjustments are proposed for this year and also will be included in proposed future budgets.
- The budget accounts for a 5% annual salary increase for classified and part time employees.
- The implementation of the Master Equipment Leasing Program (MELP) for the purchasing of new equipment for the Dome theater.
- The life span of the current Dome projection system has reached its limit and the plan is to replace it in January 2023 with an improved laser projection system and upgraded operating software for the Richmond and Danville sites.
- The Cafe is now open and generating revenue.

- The FY23 proposed Budget has maintenance reserve funding increasing from \$689,602 to \$969,081.
- This increase takes the pressure off the operating budget.
- Operations will continue to be budgeted conservatively.

Mr. Conti asked this Committee to recommend the proposed FY23 Budget to the full Board of Trustees. He called for questions.

Mr. Davidson suggested placing strategic wording in the Virginia DHRM contract on wages and pay. He will advocate changes for wage staff in addition to classified positions.

Mr. Mills asked what happens if the Museum raises wages and the State does not increase funding? Mr. Conti clarified that the Museum has to make up the difference. Mr. Benton added that this is for an increase in total compensation and not just in pay rate. Ms. Iglehart added that the budget includes additional operating funds for entry level pay increase and funds to transition part time staff to full time positions.

Mr. Benton asked if the wage staff pay rates are competitive? Mr. Conti responded that the Museum is moderately competitive.

Mr. Benton made a motion to recommend the proposed FY23 Budget to the Board of Trustees. Mr. Davidson seconded the motion. A vote by show of hands was taken. None opposed and all in favor, the motion carries to present the FY23 budget to the full Board of Trustees.

Capital and Maintenance Reserves FY 22

Mr. Conti discussed the following:

- Approximately \$860k remains unexpended.
- \$4.9M critical facility and infrastructure upgrades and safety modifications which include HVAC and the planned retaining wall rebuild.
- \$7.5M for The Green development.
- New major projects out for bid include remodeling of the Discovery Room.

Ms. Nicoson asked if the building management system is operating effectively. Mr. Conti shared that the building temperature and humidity levels are comfortably maintained and the building management system seems to be solid.

Mr. Benton and Ms. Nicoson asked for an update on the Northern Virginia Science Center. Former Governor Northam moved the project into the construction pool in his last budget. The State is paying for the building and the Science Museum is responsible for the exhibits and operating endowment. The projected \$40M construction cost could be as much as 50% higher than planned.

Shuttered Venue Operating Grant (SVOG)

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

- The Museum received \$2.3M in July of 2021.
- All SVOG funds must be expended by June 30, 2022.
- SVOG funds must be used to cover core operating expenses.
- These funds were expended in numerous acceptable ways such as Dome leases and royalties, traveling exhibitions, equipment enhancements, advertising, security, utilities, housekeeping, classified salaries and May 2022 energy performance payments.
- Mr. Blow will facilitate the SVOG closeout process.

Marketing Report

Ms. Moyer updated the committee on attendance and memberships:

- Overall attendance continues to recover with 66k guests in April and May.
- Field trips are behind the pre-pandemic numbers but are increasing.
- This Spring the Museum hosted 154 field trips totalling 7k guests.
- The exhibition, *Planet Shark: Predator or Prey*, opened on May 27th and it has drawn 7.3k guests so far.
- Year to date total Museum attendance is 355k guests with the projected year end being 400k guests.
- Membership is also trending up.
- The Museum currently has approximately 7,000 member households.
- Almost back up to pre-COVID membership levels.
- There are two ongoing membership campaigns: social media campaign is measured as having reached over 80k people and a lapsed member campaign has resulted in 56 membership renewals.

Foundation Update

Ms. Peeler discussed the following:

- Awarded the Mary Morton Parsons Foundation challenge grant.
- The Foundation must raise \$1M to get the \$500k match.
- Will use social engagement events to boost fundraising.
- FY 22 year end, the Foundation provided \$3.9M in restricted and unrestricted funds.
- FY 23 Foundation budget proposes a total of \$3M in Museum support.
- Annual Fund remains stable at \$575k.
- Funding The Green is a top priority.
- Potential Lego Grant in development for "Learning through Play"
- Seeking a sponsor for Up & Atom event
- No Illumination Gala fundraiser this year
- Membership revenue projected at \$643k
- FY 22 financial statement shows \$1.4M in total discretionary funds available to the Museum.

Looking Ahead

Mr. Conti raised the following:

- Opening of The Green Phase I is now scheduled for the Fall.
- Continue with planning and designing The Green Phase II.
- Northern Virginia Science Center work progresses at a slow, but steady pace.
- Building design and details are being finalized.
- Land closing is nearing the end.
- Ms. Norwood is advocating on our behalf in these matters.

New Business

Mr. Benton asked for any new business. Ms. Nicoson mentioned possibly partnering with the Chicago Museum of Science and Industry to place an exhibition in the Garner Gallery. Ms. Moyer responded that she will inquire.

Adjournment

With no further items on the agenda, Mr. Benton called for a motion to adjourn the meeting. Mr. Davidson called the motion and Mr. Mills seconded said motion. Mr. Benton then called for a vote which unanimously passed without objection, and the meeting was adjourned at 11:52 a.m.

The next Finance and Business Operations committee meeting is scheduled for Thursday, October 20, 2022.