



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

October 20, 2022
11 a.m.

Present: Dr. Denise Walters, Cristina Ramirez, Gina Burgin, John Benton (teleconference), and Patricia Nicoson.

Staff: Rich Conti, Beth Iglehart, Ash Harris, Courtney Moyer, Kyle Smith, and Ada Sue Siler.

Other Attendees: Cynthia Norwood Marquez, Office of the Attorney General, and Adam Thalhimer, Science Museum of Virginia Foundation.

Call To Order and Opening Comments

Mr. Benton called the meeting to order at 11a.m. He commented that the first quarter of FY23 was especially good. He gave the following details:

- Income from attendance, the gift shop, membership and the Foundation all exceeded expectations.
- Rental income did not quite meet expectations partially due to a pause in rental activity while updating practices and rates.
- Total expenditures ran 6% under budget.
- Staffing is the largest component of total expenditures at 63% annually and it is well managed.
- Benefit expense is higher because of an extra pay period in September and because of an adjustment due from the state of Virginia.
- Working capital currently stands at \$3.1M, surpassing the policy goal of \$1M.
- Trustee Discretionary Fund is \$1.7M with a policy goal of \$500k.

Mr. Benton noted and welcomed the addition of our new Chief Operating Officer, Mr. Ash Harris. He concluded that Mr. Conti would be presenting regarding internal reorganization, the Green Phases I and II, two Board resolutions, and signage considerations.

Approval of Minutes

Mr. Benton noted he had a few minor edits for the June 16, 2022, meeting minutes. He asked if there were any corrections. None were expressed. Mr. Benton asked for a motion to fully approve the June 16, 2022, meeting minutes. Ms. Nicoson made the motion and Ms. Ramirez seconded it. Mr. Benton then called for a voice vote. Hearing all affirmatives, the motion was approved without objection.

Agenda and Overview

Mr. Conti reviewed the agenda for the day and provided several updates to the Board noting:

- Two resolutions will be presented for Board consideration: funding for The Green Phase II and a one-time staff bonus.
- Progress on the Annual Work Plan will be reviewed and discussed.
- Science Museum operations are getting back to normal.
- The cafe has reopened.
- New special events policies and procedures have been enacted.
- Membership revenue has room for improvement.
- Steady progress continues on the Northern Virginia Science Center project. The State should close on the land in December.
- Awaiting approval from the Virginia Architectural Review Board on the final design of The Green Phase II.
- Construction to start shortly on converting the Discovery Room into a signature classroom.
- The new organizational structure of the Museum is composed of three divisions: External, Core and Operations.

Mr. Conti asked if there were any questions. Hearing none, he moved on to the FY23 Trustee Financial Summary report ending September 30, 2022, and yielded to Mr. Kyle Smith.

FY23 First Quarter Financials

Mr. Smith pointed out the following:

- The Trustee Financial Summary report is reformatted.
- Columns are labeled to help provide budget data by fiscal year, year to date, actual vs accrued, and analyze percentage over or under current budgeted amounts.
- Row line item descriptions are reworked to provide improved detail for revenues and expenses.
- For the first quarter FY23, revenues were above budget and expenses are close to expected across the board.
- Transfer payments to Virginia are booked in the first quarter and no additional transfer payments will be posted for the fiscal year.

Mr. Smith asked if there were any questions. There were none.

Capital and Maintenance Reserve

Mr. Conti addressed the following:

- The Capital and Maintenance Reserve accounts are in good shape.
- Maintenance reserve funds are being used to repair and improve the Discovery Room.
- The Broad Street Station building needs improvements to increase efficiency in the HVAC system. These upgrades are being funded from an approved capital project.

FY23 Work Plan

Mr. Conti explained that the one year and five year plans are strategic and important for identifying capacity building and setting measurable standards for accountability. The discussion was turned over to Ms. Iglehart.

Ms. Iglehart gave the following points regarding the FY23 Work Plan:

- The Science Museum is developing a comprehensive strategy to maximize the usage of The Green to enhance its mission. It will include interpretive, operational and programmatic considerations.
- The use of corporate sponsorship offerings and the Foundation's role will be reimagined.
- A portion of restricted funds will be used for recruiting and retaining education staff.
- A dedicated budget item has been set aside for the Magic Makers and enhancing workplace culture.
- A social media specialist will be hired to manage all social media platforms.
- The community science program under Mr. Jefferson and Dr. Hoffman will develop a long-term plan by setting priorities for themes and participants.
- The Science Museum will apply for an Institute of Museum and Library Services (IMLS) grant.
- The Science Museum's compensation structure will be revamped.

Marketing Report

Ms. Moyer updated the committee on attendance and memberships:

- Attendance is rebounding steadily.
- FY22 attendance was 408,682 guests; a 269% increase from previous year.
- Danville Science Center attendance continues to increase. Last summer's attendance was 7,000 and this summer was over 17,000.
- Increased attendance is a result of the larger investment made in advertising and a strong product.
- Q1 FY2023 overall attendance down 5.9% (149,876 guests), but Danville was up over 100%.
- Group attendance continues to increase with many schools increasing their booking of field trips.

- *Planet Shark: Predator or Prey* exhibition this summer fell a little short on attendance and revenue than last year's summer exhibition.
- Planning to undertake various strategies to increase guest and member attendance at this upcoming summer experience.
- Members will be able to attend the summer exhibition, *Space: An Out-Of-Gravity-Experience*, for free.
- General admission guests can attend the summer exhibition for a \$5 upcharge.
- Friday extended hours are being discontinued.
- Lower admission charges will be offered for groups to attend the summer exhibition.

Foundation Update

Mr. Conti discussed the following:

- The Trustee Discretionary Fund balance is \$1.706M.
- The Foundation would welcome any assistance with fundraising efforts.
- The Mary Morton Parsons Foundation challenge grant is almost halfway to its goal with a May 2023 target date for raising \$1M to get the \$500,000 match.
- The Foundation is reorganizing and focusing on being more donor centered.

Mr. Benton clarified that for the Parson's matching grant, the total qualifying amount for the match does not need to be collected immediately, but can be pledged over three years.

Resolution Actions

Mr. Conti asked the Committee to consider the following:

Resolution #001-2023 Statement of Approval for the Transfer Special Revenue to Support Phase II of The Green

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 up to \$1.5 million from Special Revenue to support the completion of Phase II of The Green.

Mr. Benton then made a motion to approve Resolution #001-2023 as presented. Ms. Ramirez seconded it. A vote was taken, all approved, none opposed. Motion carried.

Resolution #002-2023 Approval of TDF Transfer for Wage Staff Bonus

The Board of Trustees wishes to recognize the commitment and dedication of the Museum's wage staff members. Since the Commonwealth of Virginia is designating bonuses for classified staff members, the Board of Trustees wishes to ensure that wage employees are not overlooked. Therefore, the Board of Trustees resolves that the Science Museum of Virginia is authorized to transfer \$35,000 from the Trustee Discretionary Fund to the Science Museum of Virginia operating account for the purpose of paying a one-time bonus to wage staff members.

Mr. Benton made a motion to approve Resolution #002-2023 as presented. Ms. Ramirez seconded the motion. Discussion followed regarding the source of the Trustee Discretionary Funds being transferred. Mr. Conti said the funds come from the endowment. Hearing no more questions Mr. Benton called for a vote. The vote was taken, all approved, none opposed. Motion carried.

Looking Ahead

Mr. Conti noted the following items:

- Across the campus, directional and interpretive signage will be updated.
- The Northern Virginia Science Center construction budget will be finalized.
- The Science will likely propose another Trustee Discretionary Fund transfer request in January 2023.

Ms. Iglehart added that the Governor's proposed Budget plan will be out on December 15, 2022. The Science Museum has made three requests:

- Change in language to our maintenance reserve funding.
- State coverage of approximately \$20M in Northern Virginia Science Center construction overruns.
- \$2.5M to take down the Worker's Compensation building.

New Business

Mr. Benton asked for any new business. None was heard.

Adjournment

Mr. Benton called for a motion to adjourn the meeting. Dr. Walters made the motion and Ms. Nicoson seconded the motion. Mr. Benton called for a vote which passed without objection, and the meeting was adjourned at 11:48 a.m.

The next Finance and Business Operations Committee meeting is scheduled for Thursday, January 19, 2023.