



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

January 24, 2019
11:00 a.m.

Present: Dr. Richard Groover, Dr. Denise Waters, Patricia Nicoson
(teleconference)

Staff Present: Rich Conti, Elizabeth Voelkel, Pat Murphy, Kinsey Peeler, Reggie
Wilson, James Blow

Other attendees: Cynthia Norwood, Office of the Attorney General

Dr. Groover called the meeting to order at 11:04 a.m.

Approval of Minutes

Dr. Walters asked for clarification on an unanswered question from the ledger report from the Finance Committee draft minutes for 10.25.2018. The question revolves around if the focus of large exhibits should be increasing revenues or increasing brand equity? Response from Dr. Groover that the SMV staff is researching that question. Mr. Conti responded stating that the full Board of Trustees will make the ultimate determination of attitude towards large exhibits and their focus. Dr. Groover asked if the issue should be brought before full Board of Trustees or if the question can wait until a later time. Discussion of this question was tabled until a later time.

After giving the committee a moment to review the minutes, Dr. Groover called for a vote to approve the minutes, Dr. Walters made the motion, which was seconded by Dr. Groover. The motion passed unanimously without objection.

Budget Report

Mr. Conti provided an overview:

- Earned revenue is up
- Last year was a record year for attendance and revenue
- Some costs were associated with increased expenses such as outsourcing security, retiring employees
- Area for improvement is managing the wage staff, 50% more guests coming in with the same amount of staff

- Still getting the rhythm down for the touring special exhibits with regard to how to properly staff them and provide adequate security
- Historically January has been a slow month for visitors, but this month we have seen over 10,000 visitors and 5,000 people just last weekend
- The large traveling exhibits are significant expenses, but worth it due to creating draw from the community
- We've had flexibility with making payments towards Pompeii by splitting the payments into three installments, the two payments already made are reimbursable from restricted funds from the Foundation
- First six months of this year we had 259,000 guests in comparison to seven years ago 117,000 guest in the same time period
- Overall attendance is 12% higher than last year
- Curious George
 - Science After Dark Go Bananas! Coming up this week featuring themed activities
 - Big draw for families and first time visitors, resulting in more memberships
- Trustee Discretionary Fund set up about 10 years ago, policy to keep about \$500,000 in the fund
 - A resolution will be presented with requests for expenditures from that fund

Dr. Groover asked about how much information is relayed to the Virginia General Assembly regarding the successes and great performance of SMV. Mr. Conti responded that the key people we work with at the General Assembly are adequately informed. The Marketing team developed a great "one-sheeter" featuring highlights. The General Assembly is concerned with money is being managed well, which the Museum does effectively.

Mr. Wilson and Mr. Conti reviewed FY 19 2nd Quarter performance:

- Earned revenue is up across all programs, leading the way is special events and facility rentals
- Admissions are up by 17% over last year
- Increase in revenue from museum programs such as Model Railroad
- Very strong performance from museum events and special events
- Catering revenue is down
- Vending and concessions both showing increases compared to last year
- Shop4Science is showing consistent performance
- Wage costs have impacted the Shop4Science bottom line, we are exploring ways to address
- \$300k increase in earned revenue
- The Museum is very meticulous with budgeting, but using actual vs actual helps create a better snap shot of performance.
- Because performance has been so good, we have not drawn as much funding from the Foundation as usual which allows funds to accumulate

- Next year the Foundation may push for more spending of restricted funds, which demonstrates we are spending funds on our mission
- Many programs are funded entirely by restricted funds such as The Forge
- Memberships are up
- Salaries and wages are up in part to some onetime cost items from retirements and workforce transition to private security company
- Expenses are generally tracking well
- Supply needs are up due to increased attendance and increased programming
- Review of actual vs budget
 - Tracking close to budget
 - Mission and programs are 18% above budget
 - Food service is 27% above budget
 - Decrease in Foundation support is due to decreased need to pull from Foundation funds
 - Federal Programs are down due to several Grants that have expired
 - NOAA grant has ended
 - Now we have the NFWF (National Fish and Wildlife Federation) grant, with funds tied into the storm water projects associated with the new parking deck
 - We have applied for a IMLS (Institute of Museum and Library Science) grant for more citizen science activity
- Parking deck project, all the funding is in place and the architect is doing working drawings, one more approval and the project will go out to bid later this Spring with construction beginning in August 2019
 - Alternate parking plan is in place to compensate for loss of Solar lot and 30 spaces in main lot
- We are planning on developing a demolition plan for the Workers Comp Building, it is no longer a viable structure
- Green Space development is underway
- Danville Science Center
 - Construction on the old building starts Feb 11th
 - Could be open in May 2019
 - We are working with DGS for an Invitation for Bid for work on the larger exhibits
 - April of 2020 Board meeting may be held at DSC
- Northern Virginia project
 - We are in the Governor's budget for detailed planning of the actual building structure
 - \$75M project, the State is supplying \$46.5M for the building and the County is funding \$15M for the exhibits, and the rest will be raised privately

Review of the Science Museum of Virginia Board of Trustees Resolution. The Finance committee needs to review it before taking it to the full Board meeting later today for official approval. The Resolution included allocating additional

funds towards marketing for the Pompeii exhibit, funds for standardizing the A/V structure in our rental spaces, funds for performance bonuses for employees for extraordinary contributions, and funds for the tent renovation.

SMV Foundation Overview

Ms. Murphy discussed the following points

- Unrestricted giving includes the Annual Fund, Sponsorships, Unrestricted Grants and Major Gifts
- Annual Fund is tracking to be on budget
- About \$100K more unrestricted funds available for Museum use
- As of right now, main fundraising events for the year haven't occurred yet, these include the Up and Atom Breakfast in March and the Illumination Gala in April
- Membership revenue is still expected to grow compared to last year's numbers
- On the expense side of memberships, we have invested in digital membership cards, which will cut costs over time
- Regarding restricted funds, the capital campaign has officially come to an end
- Shifted to restricted project funding and pursuing specific grants from donors
- With everything combined, we are set to provide about \$3M of support to SMV whereas the budget was for \$2.3M
- We still need Board support to help secure more sponsorships
- Up to 7,000 member households, the highest it's ever been
- Assets are at \$23M which includes the endowment investments around \$16M
 - Close to \$3M in restricted cash funds from Capital Campaign to spend on specific areas such as The Forge, event center
 - What cash funds remain in the unrestricted funds from Capital Campaign will be set aside to deal with the HDL litigation

Dr. Groover asked about any fall events for the Foundation. Ms. Peeler said that the Foundation used to host the Kugel Ball in the Fall. However, two years ago, we flipped it to coincide with the opening of the DGC. Also, Science on Tap started as a Foundation event once a year.

Dr. Groover asked about coordinating and working with the Virginia Academy of Science more. Mr. Conti responded stating that SMV has reached out to VAS in the past but negotiations have not played out. Dr. Groover offered to assist with bolstering the relationship with VAS.

New Business

Dr. Groover asked for new business, none was raised.

Adjournment

With no further business, Dr. Groover asked for a motion to adjourn. Dr. Walters made the motion and Dr. Groover seconded. The vote passed unanimously without objection and the meeting was adjourned at 12:00pm.