



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

January 19, 2023
11 a.m.

Present: Dr. Denise Walters, Cristina Ramirez, John Benton (teleconference), Suri Ganeriwala, Dr. Kathy Lu and Patricia Nicoson.

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

Other Attendees: Cynthia Norwood Marquez, Office of the Attorney General, and R. Alexander Kurland, Science Museum of Virginia Foundation.

Welcome, Call To Order and Approval of October 20, 2022 Meeting Minutes

Mr. Benton welcomed everyone and called the meeting to order at 11 a.m. He asked everyone to review the prior meeting minutes and then he asked if there are any corrections. Hearing none, Mr. Benton asked for a motion to fully approve the October 20, 2022, meeting minutes. Dr. Walters made the motion and Ms. Ramirez seconded it. The motion was called. Receiving all affirmative votes, the motion was approved without objection.

Chairman's Overview

Mr. Benton provided the following details:

- Currently, revenues are 5.5% ahead of budget projections and expenses are 4.5% under budget projections.
- Membership households are at 7,200.
- Special Event rental income is rising due to new policies in place and adjusted rates.
- Expenditures reflect a Trustee approved Trustee Discretionary Fund transfer to The Green and future exhibit prepayments.
- Staff compensation represents 62% of total expenditures and this includes a 5% salary increase and \$1k bonus for full time employees.
- The wage staff bonus was covered with a previously approved Trustee Discretionary Fund transfer of \$35k.
- Beth Iglehart has retired and this required some organizational changes.

- Challenge grants are going well with the Mary Morton Parson grant being fully met and donations for the Cabell challenge grant being secured.
- Working capital currently stands at \$1.75M with a policy goal of \$1M.
- Trustee Discretionary Fund is at \$1.5M with a goal of \$500k.
- Requests for Trustee Discretionary Fund monies for summer marketing and new signage for The Green and Science Museum will be recommended.
- A resolution to reaffirm Mr. Conti's authority to represent the Science Museum of Virginia in matters relating to the Northern Virginia Science Center project will also be recommended.

Mr. Benton concluded that Mr. Conti reviewed the new internal reorganization structure, updates on the Green Phases I and II and Board resolutions. Proposed resolutions will authorize Trustee Discretionary Funding for marketing and signage initiatives. He will also discuss a resolution reaffirming the authority delegated to the Science Museum Director by the Trustees in regards to the development of a Northern Virginia Science Center. Mr. Conti will present two finalized agreements needing affirmation. Finally, some options will be given for what can be done with the Worker's Compensation Building site when it comes down (approximate demolition cost of \$2.5M).

Mr. Benton noted and thanked the Foundation Board and its staff for their successful fundraising. Thanks was also expressed to the Trustees for their continuing support of the Science Museum's work.

Director's Overview

Mr. Conti introduced a new Trustee to the Board, Dr. Kathy Lu and then provided the following updates to the Board:

- Beth Iglehart retired, necessitating an organizational reorganization. The new structure consists of three divisions, each with a deputy director.
 - Communications & Administration Deputy Director is Courtney Moyer
 - Education Deputy Director is Timshel Purdum.
 - Operations Deputy Director is Ash Harris.
- Overall the Science Museum of Virginia's financial performance is fantastic.
- Attendance in all areas continues to increase.
- The Science Museum was granted more flexible language for utilizing Maintenance Reserve funds.
- The Science Museum also asked for additional funding for demolishing the Workers Compensation building and Northern Virginia Science Center construction cost overruns.
- Work continues towards closing on the property for the Northern Virginia Science Center.

- Major projects this past quarter included: new agreements for Northern Virginia Science Center and The Green walkway surface issues involving contractor and subcontractor.
- The Green Phase II contract is going out for bid soon
- The Dome laser system upgrades are underway with Master Equipment Leasing Program (MELP) funding approved.
- Minor projects this past quarter included Discovery room renovation into laboratory space and the addition of a demonstration garden.

Mr. Conti asked if there were any questions. Dr. Walters wanted to know if there is a date for The Green's opening. Ms. Peeler offered May 18, 2023.

Hearing no further questions, Mr. Conti moved on to the FY23 Trustee Financial Summary report for the Month Ending December 2022 and introduced Mr. Kyle Smith.

FY23 Second Quarter Financials

Mr. Smith pointed out the following:

- All aspects of the financials are looking good and doing well.
- Revenue numbers are above in most categories except admission revenues.
- Admission revenues are lower than actual because there is a lag in receiving credit card settlements.
- For the second quarter FY23, actual revenues are \$100k above budget and actual expenses are under budget.
- Reserves are showing a surplus.
- Regarding transfer payments, the budget has not yet caught up with actuals.

Mr. Smith asked if there were any questions. Receiving none, Mr. Conti returned to the floor.

Capital and Maintenance Reserve

Mr. Conti expressed 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 as well as build a Demonstration garden.
- The Maintenance Reserve account will receive an additional \$1M this year in funding.
- Work continues on upgrading the parking deck's electrical network for optimum charging station sustainment because it is being used regularly.

Mr. Conti asked if there were any questions. Mr. Kurland inquired about the status of efforts to upgrade campus security. Mr. Conti explained it took a while to get cameras up and running effectively throughout the campus, but it is much improved now.

Receiving no other questions, he continued.

FY23 Work Plan Update

Mr. Conti offered the following points regarding the Work Plan progress:

- Objectives are on track with the schedule.
- The corporate giving plan is revamped.
- Employee cultural improvement efforts are happening.
- The Science Museum's social media utilization strategy is entirely new.
- Social media continues to be a fundamental part of the Science Museum's marketing strategy.

Business Operations Report

Ms. Moyer updated the committee regarding business health:

- Current attendance numbers surpass YTD by 8.8% from last year.
- Optimistic that at the year's end, the Science Museum will finish in a good financial position.
- Danville Science Center's attendance continues to improve with a 98.8% YTD increase over last year and increased attendance is being sustained year to year.
- Group registrations have rebounded.
- Field trip attendance is backup with more than 40,000 attendees in booked trips so far in FY23.
- In November 2022, the Science Museum saw the highest attended Model Railroad Show (MRR) to date.
- The MRR brought in almost \$78k in admission revenues with 36% coming from member attendance and 68% from online sales.
- Cafe, concessions and the gift shop contributed \$20k in additional revenue over the MRR weekend.
- The Sizzling Science event had 10,000 in attendance which is a 33% increase in attendance over 2022's event, *Fast and Curious*.
- A holiday membership push with a 15% discount offer was very successful. The offer was advertised by email, mailer and in person. The push led to over \$100k in membership revenues.
- Upcoming exhibition programming is being finalized and scheduled.
 - *Lego Towers of Tomorrow* has gone to contract.
 - *Playing With Light* is set to arrive shortly.
 - *Space: An Out-of-Gravity Experience* is contracted and scheduled for this year.
 - *Wild Kratts* is contracted and scheduled for 2024.
- Upcoming exhibitions are paid up through FY25.

Foundation Update

Ms. Peeler discussed the following:

- The Foundation is doing well.
- Primary focus at this time is fundraising for The Green after switching over from the Annual Fund.
- \$4.38M in support of The Green has been raised so far.

- The Mary Morton Parsons Foundation challenge grant requiring the Science Museum to raise \$1M has been met and the Science Museum will be receiving the \$500k match.
- A press release with an update on The Green is forthcoming.
- Planning for improved interactions with boards and committees to better network is progressing with an event proposed to make connections and hold follow ups.
- The Foundation is always looking for recommendations regarding donor prospects.
- Speakers for the upcoming *Up & Atom* breakfast on March include:
 - Student Speaker is Sanaa Hayes, STEM student at William & Mary
 - Keynote Speaker is Karey Malyszko, Vice President of Plant Operations at Newport News Shipbuilding
- Dr. Walters encouraged Board members to participate in fundraising efforts either by bringing in prospective donors or giving a gift.
- The *Up & Atom* event is focused on women's leadership but all are welcome to attend and participate.

Ms. Nicoson asked if *Up & Atom* will be recorded. Ms. Peeler said that there will not be a formal recording. Some participants and attendees may record on their personal devices.

Resolution Actions

Mr. Conti asked the Committee to consider affirming the following resolutions and recommend them be presented to the full Board of Trustees for approval:

Resolution #003-2023 Approval to allocate funds for signage and marketing

Management is requesting approval of the following actions:

- \$350,000 for interpretive and donor signage for The Green as well as an interior wayfinding signage plan and subsequent plan implementation.
- \$200,000 for additional advertising purchases.
- Augmenting the advertising budget for the Science Museum to help increase awareness of programmatic offerings, largely the upcoming touring exhibitions *Playing With Light* and *Space: An Out-of-Gravity Experience*.

The Board authorizes the Science Museum of Virginia Foundation to transfer up to \$550,000 from the Trustee Discretionary Fund held in account #817 for the above expenses.

Mr. Benton made a motion to affirm Resolution #003-2023 as presented. Ms. Nicoson seconded it. Call for discussion. Hearing none a vote was taken. All approved. This motion carried.

Resolution #004-2023

Approval of Delegated Authority to the Museum Director for Northern Virginia Science Center

The next resolution is to update an existing document to include updated clarifying wording:

- Ms. Norwood Marquez explained that the wording covers more and reaffirms how important the Northern Virginia project is.
- Mr. Benton stressed how vitally important these documents are for all parties involved.

The Board of Trustees desires to confirm, supplement and clarify the approval of the Science Museum Director's authority to take all actions necessary to close the acquisition of the 3.5 acre property at the site of the Northern Virginia Science Center on behalf of the Science Museum. This resolution is additive to and does not replace or limit the 2020 resolutions, such 2020 resolutions remaining in full force and effect.

Mr. Benton moved to affirm Resolution #004-2023 to approve full authorization of delegation as requested. Dr. Walters seconded it. Hearing no further discussion a vote was taken. All approved. This motion carried.

Mr. Conti called the group's attention to the two memoranda provided in their packets. The first is a Memorandum of Understanding with the Northern Virginia Science Center Foundation and the other is a Tripartite Agreement between the Science Museum, Loudoun County, and the Northern Virginia Science Center.

Mr. Conti asked the Committee to review these two documents. Mr. Conti asked for any questions regarding the documents. A formal motion is not needed, but an affirmation will ensure transparency.

Dr. Lu asked if when the Northern Virginia Science Center funds become available, is that when the project construction begins? Mr. Conti said funding is already approved, but the final construction amount is not set.

Dr. Lu asked for clarification on the purpose of the documents presented and what changes were made. Mr. Conti replied that the updates clarify the project sizing, dates, and increased costs.

Hearing no more questions Mr. Benton called for a vote. Dr. Walters seconded the call. The vote by verbal affirmation was taken, all approved, none opposed. Documents were affirmed.

Looking Ahead

Mr. Conti noted the following items:

- The Green Phase II is the next major construction project to occur.
- Starting in March 2023, the Science Museum will return to 7 days a week operation.

- Progress continues on developing a plan and partnership for the 15 acres of land off of Leigh Street.

- The Parks and Recreations Department is keen to pursue a partnership.

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 11:45 a.m.

The next Finance and Business Operations Committee meeting is scheduled for Thursday, April 20, 2023.