



APPROVED Minutes

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

April 20, 2023
11 a.m.

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

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

Other Attendees: Adam Kane, Office of the Attorney General, Adam Thalhimer and R. Alexander Kurland, Science Museum of Virginia Foundation.

Welcome, Call To Order and Approval of January 19, 2023 Meeting Minutes

Mr. Benton welcomed everyone and called the meeting to order at 11 a.m. He complimented those involved with the new set up in the RF&P Forum. The presentation audio and video systems were specifically recognized. Everyone was then asked to review the prior meeting minutes and then he asked for any corrections. Hearing none, Mr. Benton asked for a motion to fully approve the January 19, 2023, meeting minutes. Ms. Nicoson made a motion to approve and Dr. Walters seconded it. The motion was called. All voted in favor of approving the prior meeting minutes.

Chairman's Overview

Mr. Benton referred the members to the Trustee summary document for FY23, month ending March 2023. The following was highlighted:

- All aspects of financial performance are in good shape.
- The trajectory for the end of the year is in great territory with revenues at 6% above and expenses 5% below FY22.
- Food and the gift shop sales are up.
- Rentals were paused for a time to revamp and improve policy, contract requirement, and pricing.
- Working capital is currently at \$2.5M surpassing the \$1M policy goal.
- Trustee Discretionary Funds are at \$1.6M, surpassing the \$500k policy goal.

- The Northern Virginia Science Center land transfer agreement is still being worked on, but there is optimism it will be executed soon.
- Working group discussions have led to some new objectives for the upcoming fiscal year
- The American Alliance of Museums (AAM) reaccredited the Science Museum of Virginia, making it one of only 1,100 museums nationwide that is accredited.

Mr. Benton turned the meeting over to Mr. Conti.

Director's Overview

Mr. Conti offered the following comments to the attendees:

- A tour of the new art piece on The Green, Cosmic Perception, will be taken after lunch.
- Overall, a great deal of construction is happening at the Science Museum including refurbishing the sidewalks and completing the finishing touches on The Green.
- The Science Museum's operational performance is superb.
- Attendance in all areas continues to increase, as does earned revenue.
- School group attendance is back and continues to grow.
- A grant from LEGO provides school transportation assistance for Title 1 schools.
- A new state budget has not yet been approved. Money to demolish the Workers' Compensation building is included in the Senate and House versions of the proposed FY24 budget.
- The construction fence around The Green will remain up until the new pathways are completed.
- The Dome will be upgraded with new laser projectors later this year. The Danville Science Center's Dome will be upgraded as well.
- Additional projects include the Discovery Room renovation and completion of the pathway project behind the parking deck.

Mr. Thalhimer asked about the pathway project. Mr. Conti explained it was the area between the parking deck, train tracks and protopath.

Mr. Conti asked if there were any other questions. Hearing no further questions, Mr. Conti asked Mr. Kyle Smith to speak on the FY23 Third Quarter Financials.

FY23 Third Quarter Financials

Mr. Smith highlighted the following:

- Overall, the Science Museum's finances are doing well.
- Revenues are exceeding estimates and expenses are below except for utilities (which are 16% above budget).
- Expenses are managed strategically.

Mr. Benton pointed out that AAM's reaccreditation team requested very little follow-up information and had very little to say regarding finances and accounting.

Dr. Lu asked if any surplus money will be carried over? Mr. Smith said it will be spent down.

Mr. Kurland asked why the rental revenues were so good. Ms. Moyer said it reflected rental income from the Virginia Film Office's use of the Workers' Compensation building.

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

Capital and Maintenance Reserve

Mr. Conti pointed out the following:

- The Capital and Maintenance Reserve account balances are as expected.
- The Science Museum will receive an additional \$1M in FY24 in Maintenance Reserve funds.
- The parking deck project will be closed out soon.
- The Northern Virginia Science Center project will become more active as the project enters the Working Drawings phase.
- Critical facility infrastructure maintenance and upgrades involving HVAC and the glazing of window frames and front doors is needed.

Mr. Benton asked if there is flexibility in using the Maintenance Reserve funds. Mr. Conti said there is updated wording from the State to allow the Science Museum to use funds for exhibit maintenance.

Mr. Kurland questioned if the Science Museum carries enough insurance. Mr. Conti said most of the insurance is provided with liability coverage through the Office of Risk Management. Mr. Smith added that there is enough coverage and it will be paid in full with a one-time payment in June.

FY23 Work Plan Update

Mr. Conti gave the following comments regarding Work Plan progress:

- A group met in March to develop a new work plan for FY24.
- The FY23 work plan is still being worked on with a few items remaining outstanding.
- The corporate partner program has been reworked to get partners more involved in Science Museum activities.
- The community science team has a great plan in place for how to work with the community and nonprofit groups to grow the program.
- Dr. Jeremy Hoffman is leaving for Groundwork USA group in May.
- Employee cultural improvement is progressing through Magic Makers' programming.
- Social media strategy improvement includes the recent hiring of new staff and completion of an audit which is leading to new actions which need to be taken.

Proposed FY24 Work Plan

- The six objectives are as follows:
 - Objective 1 - Develop an updated plan for Phase III of The Green that will encompass the expanded site and involve key stakeholder groups.
 - Objective 2 - Formulate a plan to address staff capacity, knowledge transfer, and continuity of leadership to ensure that people remain a core strength of the organization.
 - Objective 3 - Acquire the expertise to fully develop the narrative history of Broad Street Station and begin to incorporate it into the guest experience.
 - Objective 4 - Begin the process of identifying appropriate food service options for all of our audiences.
 - Objective 5 - Grow the volunteer program to strengthen the guest experience.
 - Objective 6 - Draft an interpretive plan that connects cutting edge topics in STEM to the public's interest.

Ms. Nicoson commented on considering using history, interpretive ideas, dance and music to help early learners, such as 3- and 4-year-olds.

Mr. Benton offered to connect the Science Museum with contacts at Air and Space who may be helpful. Mr. Conti responded that the “how” is as important as the “what.” The Science Museum focuses its content on STEM, but uses art in its content delivery.

Dr. Walters shared that communication using art, artistic diagrams, plays a part in how effective communication is with non-experts.

Dr. Lu expressed the importance of ensuring all exhibits, exhibitions and content is relatable to families, not just children.

Communications, Attendance, and Programming

Ms. Moyer reviewed the following:

- Admission revenue is up.
- Attendance year-to-date is at 350,000.
- Spring break attendance was up 24% over the same period last year. Total attendance for spring break programming is just under 15,000.
- Danville Science Center attendance is up 97% over last year for the same period.
- Groups and school field trips are returning with full force.
- Group attendance is at 40,000 year-to-date, which marks a 500% increase over last year, but is 32% behind FY20.
- Membership and admission pricing is increasing.
- Adult membership will go up to \$17, youth and senior members will go to \$14.

- The Science Museum is introducing “10 for 10 days” which is ten days a year where all admission prices are set at \$10 per person, regardless of age.
- For membership, the Science Museum is bringing back the Star level membership, which is a single individual membership at \$65.
- Supernova level is now two adults and up to three children in the household.
- Galaxy level is set at \$195, and includes two adults and all children under 18 in the same household.
- Membership purchases are not tax deductible.
- Looking forward, upcoming programming includes hosting *BODYWORLDS* for summer 2024.
- New programs are coming to The Dome: *We Are Guardians* is opening May 1, *Astronaut: Ocean to Orbit* is opening May 26, and *Ancient Caves* is opening October 1.

Foundation Report

Ms. Peeler shared an overview of the Foundation's recent work:

- The annual Up & Atom women's leadership breakfast occurred on March 1. Over 300 people were in attendance and helped raise over \$85k, with that number expected to increase.
- Raising funding for The Green continues to be the main focus of the Foundation. So far, the Foundation has raised \$4.5M in support of The Green.
- Currently, efforts are set to fulfill a second matching grant. The matching grant is from the Cabell Foundation and challenges the Foundation to raise \$500k to receive an additional \$250k.
- This year the Foundation is set to provide \$4.5M in support from restricted and unrestricted funding to the Science Museum.
- Overall, expenses are down.
- Two new staff members have recently been hired to the Foundation: an executive assistant and a grant writer. The focus on filling vacant staff positions and allocating more funds to salary offerings is helping to attract great talent.
- With over \$31M in assets, recently the Foundation placed \$2M in a Certificate of Deposit which will earn 3.7% interest over a 5-month period.

Looking Ahead

Mr. Conti reviewed upcoming areas of focus:

- Multiple construction projects are underway across the campus. Many of the projects are set to complete soon.
- Efforts are in place to fine tune how The Green will continue to develop and expand around the campus.
- The Northern Virginia Science Center is in the working drawing stage.
- The 15-acre plot of land to the back of the campus and its potential partnership opportunities is still in the works.

Approval of FY24 Work Plan Objectives

Mr. Benton made a motion to approve the FY24 work plan objectives as presented. Mr. Davidson seconded the motion. A vote was taken by verbal affirmation. Unanimous approval. Motion carried.

Resolution Actions

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

The committee considered a resolution to approve new administrators for the Science Museum 403B plan.

Resolution #005-2023

Written Resolution of the Science Museum of Virginia Board of Trustees

Board of Trustees hereby removes Saa'dia Walker as administrator of the Science Museum of Virginia 403(b) Retirement Plan; and that the Board of Trustees appoints the Director of Administrative Services and the Finance Director of the Museum as the administrators of the Plan, each of whom shall be responsible for performing all actions necessary to carry out the administration of the Plan and to provide direction to Plan service providers as the administrators of the Plan effective as of the date of the adoption of these resolutions.

Mr. Benton called a motion to affirm Resolution #005-2023 as presented. Mr. Davidson called the second.

A vote was taken, unanimous approval. Motion carries.

New Business

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

Adjournment

Mr. Benton called for a motion to adjourn the meeting. Ms. Nicoson called the motion and Dr. Walters 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, June 15, 2023.