



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

June 15, 2023
11 a.m.

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

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

Other Attendees: Cindy Norwood-Marquez, Office of the Attorney General, Adam Thalhimer (teleconference), and R. Alexander Kurland (teleconference), Science Museum of Virginia Foundation.

Welcome, Call To Order and Approval of April 20, 2023 Meeting Minutes

Mr. Benton welcomed everyone and called the meeting to order at 11 a.m. He asked the members to review the prior meeting minutes and suggest any corrections. Hearing none, Mr. Benton asked for a motion to fully approve the April 20, 2023 meeting minutes. Dr. Walters made the motion and Mr. Davidson seconded it. The motion was called and all voted in favor of fully approving the prior meeting minutes.

Chairman's Overview

Mr. Benton made the following comments:

FY2023 through 5/31/2023

- VA State Appropriation increased 10% (\$600k) in funding over two years for additional security, parking deck maintenance deck and The Green operations.
- The Science Museum is in an excellent financial position heading into June which is an historically robust performance month.
- All sectors of the Science Museum are recovering from the pandemic.
- Between special revenues income and expenses, the Science Museum is in a 12% better position than expected.

- Using a conservative approach to fiscal management has resulted in good numbers.
- Staffing has not fully recovered from the pandemic, but now 58 of 65 full-time positions are filled.
- Maintenance reserves will end the year with a \$300k balance.
- The reserves will receive an infusion of \$1M in July to preserve the Science Museum campus.
- Foundation reserves have built up this year due to the excellent financial position.
- These funds are invested, accrue interest and grow.
- Working capital is at \$1.2M and the Trustee Discretionary Fund will be at about \$1M at year end.
- At year end, the switchover of some encumbered funds not needed will be released, new will be funds added and \$300k will be used, if approved, for narrative history and food service studies.

FY2024 Proposed Budget

- The Virginia General Assembly has not completed, passed or given the Governor a FY2024 budget to sign off on.
- There currently is a 5% pay increase in the budget, the pay increase could be as much as 7% for employees.
- The Science Museum's plan is to take a conservative approach for FY2024.
- The Science Museum's budget includes \$150k of anticipated additional income from admissions and membership, funding a \$122k guest experience position, refilling staff positions up to pre-COVID levels, and a request of \$300k in Trustee Discretionary Funds to spend on contracts for the Broad Street Station history work and food service studies (if approved).

Six-Year Capital Plan

- Capital projects requiring Virginia funding consideration should be submitted now.
- Funding timing is unclear, but if the Science Museum lobbies for these projects, funding may happen sooner.
- Details on four capital projects will be presented by Mr. Conti to the Board so it can make a recommendation before the Science Museum sends them to the Secretary for approval.
- Two resolutions will be presented to the Board for consideration and approval: \$150k for a narrative history of Broad Street Station and \$150k for a food service concept study.

A successful planning session occurred at the Deloitte Center on June 9 regarding the Northern Virginia Science Center (NVSC). While the land agreement remains unsigned, the go ahead has been given to produce working drawings for the facility.

Mr. Benton turned the meeting over to Mr. Conti

Director's Overview

Mr. Conti offered the following thoughts:

- FY2023 revenue goals were achieved in May.
- The numbers do not lie and they show financial performance has recovered in all areas this year.

FY2023 through 5/31/2023

Mr. Smith highlighted results in the Trustee Summary spreadsheet:

- Financials are tracking strongly with previous annual fiscal experience.
- Admission and food service revenues have already surpassed the proposed FY2023 amount through 5/31/2023.
- Admission revenue is expected to exceed the projected amount by the FY2023 year end.
- Expenditures for personal services are tracking below budget.
- Federal grant expenses and reimbursements currently are unbalanced, but they will balance out when the two Danville exhibit payments made previously are reimbursed and posted.

FY2024 Operating Budget

Ms. Moyer commented on the general approach with the proposed budget:

- Development involved analysis of historical expenditures and revenue, soliciting input from each department, conformity with the strategic plan, and incorporating long term goals.
- The methodology for expense included rehiring staff to pre-COVID levels, allocations for special fund salary increases up to 7%, funds to provide a \$1,000 staff bonus and implement wage salary increases based on job performance.
- In order to streamline expenses, the decision was made to bring security in house.
- If this model works well, housekeeping staff, both FT and PT, will also be brought in house.
- Regarding revenue, the aim is to maintain a conservative approach for growth.
- Modest growth projections are based admissions, memberships and special events numbers.

Mr. Benton mentioned that when filling job positions, the Science Museum takes care of its staff so it looks for the best person for the job plus identifies people who can back the current staff and allow for staff growth.

Mr. Benton asked if there were any questions on the proposed FY24 Budget. Hearing none, Mr. Benton asked for a motion to recommend the approval of the proposed FY2024 Operating Budget. Mr. Mills called the motion and Dr. Walters seconded it. A vote was taken. All approved, none opposed. Motion carried.

Capital and Maintenance Reserve

Ms. Moyer reviewed the projects currently being worked on and sought input from the attendees. Approval was given to move projects and close out some projects.

Six-Year Capital Projects

Mr. Conti gave the following remarks:

- These are long-term capital projects which the Secretary will also have to approve.
- These projects are big “asks” which we hope to have approved.
- The Science Museum is asking for funding to complete historic preservation and maintenance on train sheds and tracks which is projected to cost \$3M.
- Also, the Science Museum is asking for upgrades to critical internal vertical transportation and electrical systems at Broad Street Station which is projected to cost \$3.7M.
- Food service infrastructure and increased touring exhibition space development funding another large ask at \$6M.
- Development funding for the East Green which could be public and/or private funds is projected to cost \$10M.
- The four capital projects presented need to be considered, approved and recommended to the Secretary by June 22, 2023.

Mr. Benton asked if there were any questions. Hearing none, Mr. Benton took a motion for the full Board to recommend the four six-year capital projects presented to the Secretary. Ms. Nicoson called the motion and Mr. Mills seconded it.

Before holding the vote Mr. Kurland asked if the Science Museum is asking the State for all the funds. Mr. Conti said the funding will be a mix of some public and some private funding. Mr. Kurland then commented regarding the tracks and train sheds that their access should remain functional with unblocked entry. Mr. Conti pointed out the easements in place have a bearing on options with these train refurbishment activities.

The vote was then taken by verbal affirmation. All approved and this motion carried unopposed.

FY2024 Work Plan Update

Mr. Conti highlighted the following work plan initiatives:

- Develop a plan for Phase III of The Green using a new design development team looking at an expanded site and involving community stakeholder.
- Adopt a strategy for retaining critical organizational knowledge from retiring staff and promoting effective staff cross training.

- Research and document a narrative history regarding Broad Street Station.
- Form a plan to offer/provide beneficial food service amenities.
- Adopt strategies for bolstering the Volunteer program.
- Create a STEM interpretive plan that connects cutting edge STEM topics to public interests.

Mr. Mills commented it would make sense to survey members to see what they want and get a feel for their view with regard to food service, so is there a need for a community survey. Mr. Conti and Mr. Harris agreed a survey of both some community and some guests would be useful. Mr. Benton added that this is a good opportunity to address what food services should be at the Science Museum.

Mr. Kurland asked about what kind of operation should food service be (internally run or a contractor). Mr. Conti offered it could be contracted out.

Ms. Norwood-Marquez said the Virginia Museum of Fine Arts (VMFA) has a respected food service model. Mr. Kurland suggested consulting the VMFA and other restaurateurs

Mr. Benton spoke about his experience with Smithsonian and their food service partnerships and contracts

TDF Transfer Proposal 006 and 007

Mr. Benton reviewed the following resolutions regarding the Trustee Discretionary Fund distribution transfers:

- #006-2023 \$150k for a narrative history of Broad Street Station
- #007-2023 \$150k for a food service concept study

Mr. Benton asked if any discussion was needed. No discussion was taken. Mr. Benton then called for a motion to approve both resolutions and send them to the full Board. Mr. Davidson called the motion and Ms. Ramirez seconded it. The motion was approved unanimously with a vote.

Business Operations Report

Ms. Moyer reviewed the following attendance figures:

- April and May attendance was 85,000 which is 30% over last year.
- YTD attendance is 444,000 which is 25% over total FY2022.
- Danville YTD attendance is 50,000 which is 82% over a year ago.
- *Space: An Out-of-Gravity Experience* has just opened in late May and has attracted 8,000 guests so far.
- Group attendance is at 56,000 YTD.

Foundation Update

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

- New Grant Writer, Portia Chang, started on May 1.
- New Director of Advancement, Sue Rockwell, starts on July 17.
- Changes are being made to the Foundation Board meeting format.

- Foundation meetings will start earlier at 8:30 am.
- The Foundation is actively soliciting suggestions or nominations for Board candidates.
- \$4.5M has been raised this year for The Green.
- 57% of the Science Museum Trustees have directly supported The Green and the desire is to have 100% Trustee support.
- Foundation assets have little change from last report.
- The Foundation is halfway to raising the \$500k required for the Foundation to receive the full \$750k Cabell Foundation Challenge Grant.
- On track for the Foundation to provide \$4.5M in FY 2023 financial support to the Science Museum.

Ms. Peeler asked if there were any questions. Hearing none the floor was yielded back to Mr. Conti.

Looking Ahead

Mr. Conti presented some upcoming activities:

- The Board will have the opportunity later today to see the summer exhibit, *Space: An Out-of-Gravity Experience*.
- The Science Museum is holding an expanded summer camp this year, increasing from 40 campers per week to 60.
- The Green Phase II construction is out for bid and it will start soon.
- Northern Virginia Science Center is now cleared to start on the work drawing stage even though the land ownership is not finalized yet.
- Progress has been made on the 15-acre plot of land to the back of the campus and its potential community partnerships.

Comments

Mr. Benton asked about the current status of the supplemental fund availability for capital projects. Mr. Conti said the State capital project funding process is complicated. The Science Museum can close the gap in funding with private funds, but prefers to keep capital project funding from the General Assembly. For the building, the funding gap looks like it could be \$60M.

Mr. Davidson, remarking as the newest Northern Virginia Science Center Foundation Board member, informed the Trustees that discussion with Loudon County officials is in progress. Work continues directly with the general contractor to negotiate construction costs. There is a focus on building a strong rapport. A productive working relationship with the general contractor helps to identify value engineering.

No other comments or new business occurred.

Adjournment

Mr. Benton made a motion to adjourn the meeting. Mr. Davidson 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.

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