



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

January 25, 2018
11:00 a.m.

Present: Dr. Richard Groover, Patricia Nicoson, Dr. Denise Walters, Margaret Lewis (teleconference)

Staff Present: Rich Conti, Elizabeth Voelkel, Pat Murphy, Kinsey Peeler, Saa'dia Walker, James Blow

Other attendees: Cameron O'Brion, Office of the Attorney General

Dr. Groover called the meeting to order at 11:02 a.m.

Approval of Minutes

Ms. Nicoson moved to approve the minutes. Dr. Groover called for a vote to approve the minutes with corrections, which was approved unanimously without objection.

Strategic Plan

Mr. Conti reviewed FY 18 Objectives and Initiatives.

- The new Altru ticketing system will go live in February.
- The Museum will request funding to conduct a survey of millennials.
- Marketing has completed the digital platform review.
- CRISPR lecture coming in April as part of ongoing STEM programming.
- Currently selecting provider to meet BSS maintenance requirements.
- Millennial target persona test audience coming to the Museum in February.
- Need to take a more aspirational approach to the Strategic Plan and re-work the current Vision Statement.

Ms. Nicoson complimented the Museum on the robust content of the STEM programming.

Budget Report

Mr. Conti delivered the mid-year overview.

- FY 18 revenue is trending strong so far.
- FY 16 and FY 17 set a new attendance baseline for the Museum.
- The Museum drew about for 400,000 attendees for each of the past two years, up from 290K to 320K on average.
- FY 18 is trending 16% above FY 16 and FY 17.
- Earned revenue is up 30% over the first half of the year.
- Membership is nearing 6,000 households, a 50% increase.
- Membership increase coincided with rate increase.
- The Museum will request approval on two Trustee Discretionary Fund transfers for an upgrade to The Dome and a marketing survey.

Ms. Walker continued the mid-year overview.

- Earned revenue is tracking at 1% below budget, but significantly ahead of last year.
- Expenses are tracking 12% below budget.
- Unencumbered Trustee Summary balance \$587,734.
- Admissions, Shop 4 Science and food service are all performing well.
- Some vacant positions have been filled, which accounts for the variance in labor costs over FY 17.
- Previous years' investment in the Museum are paying dividends in increased revenue.
- Significant expenses have included payments for future exhibits.
- Proposed General Fund Appropriations include 150K for Hampton STEM Partnership.
- Proposed Capital Projects include BSS Maintenance, Danville Science Center, and BSS site developments and improvements.
- \$475K has been allocated for design of the parking deck.
- Current maintenance reserve appropriations balance is \$825K

Dr. Groover complimented the Museum on the increase in revenue and strong cost controls, and directed the committee's attention to the fact the Museum is under its expense budget by 12% so far this FY.

Ms. Nicoson asked what the Hampton STEM Partnership is. Ms. Walker replied that this was a proposal from a few years ago to provide through funds for STEM programming at the Virginia Air and Space Museum and the Living History Museum in Hampton Roads.

Dr. Groover asked if the maintenance reserve funds rolled over from year to year or if the entire balance has to be spent by the end of the FY. Ms. Walker replied that the funds roll over and need not all be spent in the same FY.

Mr. Conti discussed future projects.

- The parking deck could go to bid as early as late spring or early summer depending on availability of funding.

- The Museum has taken possession of the Worker's Compensation Building.
- Glave and Holmes is under contract to design the Museum Green.

Dr. Groover asked if the parking deck will be free. Mr. Conti said that is the plan. Dr. Walters asked if the Museum Green would include more native plants. Mr. Conti said that it would, and the intent was to make the Museum Green a beautiful interpretive space. Dr. Walters asked if the Museum was partnering with Lewis Ginter Botanical Gardens on the project. Mr. Conti replied that the Museum does sometimes exchange information with Lewis Ginter and they would be welcome to collaborate if they were interested.

Mr. Conti highlighted current projects.

- The Barbara Thalheimer Theater is currently under renovation.
- Acoustic upgrades are ongoing in The Forum.
- The Forge bids are out and equipment has been ordered, possibly up and running by July for public opening in October.
- Danville Science Center exhibit upgrades are ongoing.
- Budget amendment is filed for the Children's Science Center in Northern Virginia.

Proposed TDF Investments – External Survey and Digistar 6 upgrade

Mr. Conti discussed the details of the proposal for an external marketing survey. The funds required to perform the survey is \$25K.

The Dome was upgraded to Digistar 5 about three years ago, current equipment is having difficulty handling the amount of data required to run the presentations. The Digistar 6 will bring new capabilities to The Dome and resolve existing technical issues, which will allow the Museum to stay current. This will require \$58K including hardware and software.

Resolution #002-2018: Approval to allocate funds for an external survey.

Resolution #003-2018: Approval to allocate funds to upgrade the Digistar 6 Planetarium System.

Dr. Groover request a motion to present resolutions #002-2018 and #003-2018 to the full Board of Trustees for a vote. Dr. Walters moved to do so, Ms. Nicoson seconded the motion. The motion passed unanimously with no objections.

SMV Foundation Overview

Ms. Murphy provided a summary of the Foundation's budget

- Total Foundation assets are currently \$24.6M.
- Total endowment is \$15.8M, currently with very good returns.
- Cash on hand is \$6.8M, of which \$6M is restricted funds.
- \$3.5M of restricted funds are campaign cash (The Forge, et al.).
- VAM final distribution of cash still ongoing.

Ms. Peeler reviewed the fundraising goals for FY 18.

- Annual fund is at \$350K against a budget of \$500K with \$500K projected.
- Sponsorship is at \$73K against a budget of \$244K with \$209K projected.
- Membership is at \$303K against a budget of \$399K with \$511K projected.
- Illumination Gala is at \$40K against a budget of \$232K with \$205K projected.
- Up & Atom is at 10K against a budget of 72K with \$72 projected.
- Inspire the World Campaign is at \$1M against a budget of \$2.4M with \$1.6M projected.

Ms. Peeler said that the Foundation is transitioning from Capital Campaign fundraising to raising funds for sustaining existing operations.

Dr. Groover asked if it is expected that non-profit giving is expected to decrease with recent changes to the tax code. Ms. Peeler said that is possible since the standard deduction has changed, but added that the target fundraising market for the Foundation will be less affected by tax law changes, so she does not expect to see a significant impact.

New Business

Dr. Groover asked for new business with nothing heard from the committee.

Adjournment

With no further business, Dr. Groover requested a movement to adjourn. Ms. Nicoson put forward the motion which was seconded by Dr. Walters. The motion passed without objection and Dr. Groover adjourned the meeting at 11:42 a.m.