



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

January 23, 2020  
10:00 a.m.

Present: Dr. Richard Groover, David Mills, Patricia Nicoson

Staff Present: Rich Conti, Beth Voelkel, Pat Murphy, Kinsey Peeler, Courtney Moyer, Brandon Smith

Other attendees: Cynthia Norwood, Office of the Attorney General

Dr. Groover called the meeting to order at 10:02 a.m.

### **Introduction and Greeting**

Dr. Groover welcomed the attending Board members to the meeting.

### **Approval of Minutes**

Dr. Groover invited the Board Members to review the meeting minutes from the October 17th 2019 Finance Committee Meeting. Dr. Groover asked for any questions or amendments to the minutes. Dr. Groover noted one change to the minutes on page 4, the word “grain” needs to be changed to the word “grass” to ensure accuracy. Dr. Groover called for a motion to approve the minutes with the noted amendment. Ms. Nicoson made a motion to approve the minutes. Dr. Groover seconded. Dr. Groover called for a vote and the minutes were approved with the noted changed unanimously and without objection.

### **FY 20 Strategic Planning and New Committee Structure**

Mr. Conti reviewed the FY 20 Objectives and Initiatives:

- Embarking on a new structure for the Finance Meeting, combining the Finance Committee and Business Committee.
- This is an opportunity to reinvent information dissemination and increase communication.
- Sub-committees will serve as avenues for in depth discussion and platform for development of Strategic Plan content.

### **Financial Overview**

Mr. Conti delivered the mid-year overview.

- The Museum has continued dramatic upward growth and record numbers for 4 years running.
- The first half of FY 20 saw admission revenue that in years past would have taken the entire fiscal year to achieve.
- Attendance is up double digits over last year.
- Last year the Museum experienced record attendance of 523k, and is on track to hit over 500k again this FY.
- Touring exhibits directly contributed to the increase in attendance.
- The large costs associated with touring exhibits is offset by prepaying from the previous year's funds and the addition of sponsorship.
- DGC rental is seeing significant repeat business.
- Increasing number of member households, even with price increases.
- Field Trips are also continuing to increase.
- Museums for All and the Science Within Reach Program, saw over 6,500 attendees already for the first six months. In comparison, FY 19 saw 11k attendees total.
- Museums for All is an example of a healthy program that came from the Strategic Plan
- Admission revenue is up \$338k, 29% over the same time period for FY 19.
- Unused Foundation funds roll over to Trustee Discretionary Fund for the following year.
- Membership continues to see strong growth, first six months brought in \$390K, compared to \$225K during the same period last year.
- Federal grant money has allowed the Museum to hire a Community Scientist.
- Expenses are right on target for personnel services.
- There are currently several staff vacancies, the Museum is evaluating and assessing if reorganization or fulfillment is the most prudent course of action.
- Utility expenses are up slightly, directly correlating to increased operations at the Workers Compensation building.
- Current Lease for Workers Compensation building will run through the calendar year.
- Virginia Film Office is leasing the space at a higher rate, resulting in a profit.
- The Museum aimed to be 2.1% ahead of expenses by the first 6 months, actual numbers show currently 2.8% ahead.
- Working capital stands around \$1M
- Exploring the potential to unlock more working capital later in the last quarter to improve the Workers Compensation building infrastructure for VCU to occupy the building.
- Currently seeking to move discretionary funds from the Foundation for several specific projects, with the intent to keep the Discretionary Fund at \$500k.

Dr. Groover asked if the Museums for All numbers represent an individual or a family. Mr. Conti responded that each number represents a family unit.

Dr. Groover asked for more details concerning the Virginia Film Office lease of the Worker's Compensation building. Mr. Conti responded that the Film Office is part of the Virginia Tourism Corporation, which is not a traditional state agency and does have funds at its disposal.

Dr. Groover complimented the Museum staff on the increases in performance and attention to expense controls.

Ms. Voelkel highlighted specifics of earned revenue activity:

- The Museum hosts two main types of events: Museum Programs and Special Events.
- Museum events include programming like Minds of All Kinds, Science on Tap, and Science after Dark
- Special Events are: rentals, groups, individuals, weddings, etc.
- Revenue from rentals is what "keeps the lights on"
- Events also create exposure and showcases Broad Street Station to entities that otherwise may not visit.
- Continuing to see unbelievable growth this FY with 26% ahead in earned revenue for budget.
- In comparison to the same period last year, 16% ahead in revenue.
- Projected to have \$170K in revenue before June 3rd.
- Conservative estimates project another \$20K worth of catering revenue, on track to beat the very aggressive goal of \$500k.
- Already have \$160K on books for FY 21
- Recently made purposeful investment in a new full time Special Events Staff member, which allows the Museum to simultaneously host three large scale events.
- TheKnot.com currently shows The Museum ranking 4.8 out of 5 as a wedding venue.
- Marketing department and Special Events Staff are collaborating on maximize available dates on the calendar.

Dr. Groover asked what showcase exhibit is planned for the Dewey Gottwald Center for Summer 2020. Ms. Moyer responded that Planet Shark is scheduled for the space.

Dr. Groover asked The Museum's plans for the 50th anniversary of Earth Day. Ms. Voelkel provided details on the community collaborative festival scheduled for Saturday April 25<sup>th</sup>, 2020. Marketing is working with Enrichmond to plan the event.

Mr. Conti highlighted current projects.

- Plans for the Parking Deck are progressing.
- The state now requires an additional level of review for projects over \$10M, which is slowing down the process.
- Construction is set to begin staging in May of 2020.

- Schematics are finalized for new Green Space, complete with a virtual “fly through”.
- Currently pursuing a 15-year performance contract for the Workers Compensation building to invest in a new HVAC system, cut energy consumption, and fund the capital cost of equipment with the energy savings.
- Danville Science Center’s \$9M overhaul is half way complete with a completion date of October 2020.
- There is a possibility of hosting the October 2020 Board meetings at DSC.
- The Northern Virginia Project continuing to develop.
- Currently working to move the site to better location within the development.
- The Architectural team and Exhibit Design Team continue to collaborate beautifully.

### **SMV Foundation Overview**

Ms. Murphy provided a summary of the Foundation’s budget:

- Project to give a total of \$2.7M in support to the Museum by the close of FY20, up \$125K from original budget.
- Miss America Camille Schrier will be the speaker for the Up & Atom Fundraising Breakfast
- Ms. Schrier holds dual Bachelor Degrees in Biochemistry and Systems Biology from Virginia Tech and is a Doctor of Pharmacy student at Virginia Commonwealth University.
- VCU is now onboard to sponsor the Up & Atom event.
- A key aim of Up & Atom is to expand the donor base.
- Plans for the Illumination Gala on April 18<sup>th</sup>, 2020 are on track
- \$186K in verbal pledges and corporate sponsorships have already been received.
- Rob Estes with Estes Express Lines is the presenting sponsor for the Gala, and has committed \$50K.
- Foundation currently holds \$22.6M in assets, the endowment at \$16M.
- Unrestricted cash has been set aside for ongoing HDL litigation
- \$2.5M restricted funds for available Capital Projects.
- Trustee Discretionary Fund currently at \$780K.

Ms. Nicoson asked about the \$40M of capital funds acknowledged in the Budget. Mr. Conti responded that the capital funds reside outside of the regular operating budget. Those funds are allocated for capital projects such as Danville Science Center renovations and the Parking Deck. The funds are not accessible until the respective projects are underway. The Department of General Services has ownership over the project, and is a great ally to have on the team. DGS Increases project visibility and ensures the best quality work is being performed.

Dr. Groover asked for an update regarding the guaranteed parking spaces requested by the Children’s Museum of Richmond. Mr. Conti said that the

Museum traded an easement for the parking in front of the CMOR building. CMOR guests will have access to use the Parking Deck. Elevators will be accessible to both CMOR and SMV.

### **Marketing Update**

Ms. Moyer provided the following Marketing highlights.

- Attendance is 15% higher than last FY
- Increased attendance to events and field trips.
- Member households continue to steadily increase.
- About one quarter of attendance is comprised of member households
- Events are a key player in revenue, the team is continually reviewing and learning from each events successes and areas for improvement.
- Science After Dark event are primarily member-attended.
- Model Rail Road Weekend saw attendance in line with previous year.
- Small decrease in attendance to Fruitcake Science programming.
- The Museum is currently evaluating whether to change the Fruitcake Science event to something else.
- This year saw a 25% higher attendance, directly correlated to removing attendance caps and pushing more marketing dollars to publicize event.
- Science On Tap continuing to be popular with Millennial demographic, Medieval Time had 1,100 guests in attendance.
- Next SOT planned for June 2020, Adult Swim theme to tie in with Planet Shark Exhibit opening.
- Planet Shark arrives this summer in the DGC.
- Thursdays and Fridays the Museum will offer an “exhibit only” reduced price ticket.
- Six weeks of Summer Camps planned with new topics.
- Working well with forecasts, already met 61% of forecast for the year in only 6 months.
- Press coverage looks good; all numbers are continuing to go up.

Dr. Groover asked about how media presence will be navigated as the Museum continues to expand with the NOVA project and Danville. Ms. Moyer responded that the Strategic Planning groups will be where many of these details will be discussed and solidified. In Danville, Adam Goebel does an exceptional job of connecting with local media outlets.

Dr. Groover asked what tracking efforts are in place for collecting data on Millennials. Ms. Moyer replied that age tracking is difficult. The Science on Tap events are the best barometer for that demographic because it is specifically marketed to that target group and the Museum has seen repeat attendees.

Mr. Mills provided praise to the entire SMV team on the achievement of stellar attendance numbers.

Mr. Mills inquired about the digital life of the Museum. Is developing original digital content a priority? Ms. Moyer stated that original digital content has met a

saturation point in Facebook. Great care is given to balancing topics between posting external science content, event promotion and original scientific content on Facebook. YouTube provides a growth opportunity. This is an area identified to allocate more funds and increase YouTube presence.

### **Proposed TDF Transfer**

Ms. Voelkel discussed the details of the proposal for transferring \$228,000 from the Trustee Discretionary Fund. Four specific areas are outlined in the proposal. This request would transfer remaining \$3,000 from the performance bonus line back to TDF; appropriate an additional \$3,000 to replace doors and panels in the Thalhimer pavilion to extend the life of the tent; transfer \$100,000 to advertising efforts for the summer 2020 exhibit, Planet Shark: Predator or Prey; and an allocation of \$125,000 to fund the redesign of the Museum's website.

### **TDF Resolution #002-2020: Approval to allocate funds for Planet Shark, Website Redesign, Tent repair**

Dr. Groover request a motion to present resolution #002-2020 to the full Board of Trustees for a vote. Ms. Nicoson moved to do so, Mr. Mills seconded the motion. The motion passed unanimously without objection.

### **New Business**

Dr. Groover asked for any new business.

Ms. Nicoson inquired regarding the Museum's efforts to educate constituencies on climate change. Mr. Conti explained how the NOAA Grant allowed the Museum to learn how to conduct climate science and led to the creation of the Staff Climate Scientist role for Jeremy Hoffman PhD. Dr. Hoffman's recent research and work on the Urban Heat Index and the social justice of climate change has made an impact. Dr. Hoffman works with part time educators and develops programming aimed at helping the guest discover insight through hands on activities and thought provoking prompts.

### **Adjournment**

With no further business, Dr. Groover requested a movement to adjourn. Mr. Mills put forward the motion which was seconded by Ms. Nicoson. The motion passed without objection and Dr. Groover adjourned the meeting at 11:22 a.m.

Next Finance Committee Board meeting scheduled for April 23, 2020 at 10 am.