



Approved Minutes  
COVID-19 Emergency  
Board of Trustees Meeting  
Conducted online via Zoom  
April 10, 2020  
10:00 am

Present: Dr. Richard Groover, Eucharia Jackson, Amy Laufer, Lauren Mathena, Dr. Denise Walters, Missy Neff, Patricia Nicoson, David Mills, Sunita Gupta, Glenn Davidson, David Botkins, Cristina Ramirez, Elsa Falls, Molly Joseph Ward

Staff: Richard Conti, Elizabeth Voelkel, Brandon Smith, Jim Blow

Other Attendees: Cynthia Norwood, Virginia State Attorney General's Office

Mr. Davidson verified that a quorum was present and called the meeting to order at 10:00 am.

### **Agenda**

Mr. Conti provided a brief overview of the agenda and the materials presented to the board members. Mr. Conti also reminded the Board that discussion at the meeting must be limited to matters related to the COVID-19 emergency.

### **COVID-19 Update**

Mr. Conti discussed the impact that the COVID-19 pandemic has had on the Museum's operations to date.

- Aggressive telecommuting is in effect with between 75-100 employees telecommuting daily.
- Fourth week of closure with all employees still on payroll.
- As many as 25-30 employees working onsite any given day.
- Social distancing and wearing of masks is currently in effect.
- Employees are currently working on projects such as interior refurbishment, exhibit maintenance, and storage organization projects that would be difficult to complete if the Museum were open.
- As many as 7 employees have self-quarantined at various times in accordance with state policy
- Cancellations have included over 220 school groups, which would have included an estimated 22,000 guests.

- Over 70 events have been rescheduled or cancelled.
- Rescheduled dates will still have an associated opportunity cost, as those future dates will not be available to contract other events.
- The Museum is refunding event deposits upon request.
- Revenue loss as of 4/9/2020 stands at \$1,072,000 this amounts to 10% of the agency's budget to date.
- Declines in attendance, membership renewal, and retail are also having a significant impact.
- 60% of the agency budget is personnel costs, for this year 50% of that figure would have come from earned revenue and 50% from state funds.
- The agency's payroll costs are on average \$521K per month. \$448K full time pay and benefits and \$73K part time.
- The Museum was experiencing a record attendance year through February, with year-to-date attendance still up 3.5% year over year through March despite the closure.
- \$9M in revenue through February, and some funds were brought over from the Foundation in March.
- Daily cost to operate the Museum average \$31K per day, with \$17K in payroll costs.
- Though the Museum does have significant cash reserves with the Foundation for emergencies, this is an unprecedented and unexpected situation with no clear resolution.

Mr. Conti then asked the Board if there were any questions.

Mr. Davidson asked what the breakdown was between full time and part time employees that are telecommuting. Mr. Conti answered that it is about an equal percentage, with some employees telecommuting on some days and coming to the building on others.

### **Response Actions**

Mr. Conti summarized the following:

- Online content creation and social media presence has ramped up significantly.
- Educators are finding new ways to conduct outreach through live demonstrations online.
- The Forge is making face shields and masks.
- Maintenance and refurbishment projects on the buildings and exhibits are ongoing.
- Consideration is being given to how touch-based interactives will be affected when the Museum does reopen and how the guest experience can be adjusted to accommodate reduced touching of surfaces and/or disinfection of surfaces.
- Storage areas are currently being inventoried and reorganized.
- Restrooms are being modified with touch-free dispensers and faucets and touch-free doors.

- The landscaping contract has been cancelled, the Museum has purchased a mower and will handle landscaping internally.
- Janitorial services contract ends effective 4/10/2020.
- Contracts such as Dome hardware and software, composting, and green roof are being ended or adjusted as possible.
- Currently there is \$1.3M in working capital, some of which the Museum would like to use to balance the budget.
- Exhibit costs for Pompeii, Planet Shark, and T-Rex can be reimbursed to the Museum from Foundation funds. Other costs can also be reimbursed from other Foundation funds to relieve pressure on the operating budget, though it must be done cautiously as these funds are limited.
- Concepts to use the Worker's Compensation Building as a potential source of lease revenue is still being explored, and Monument still plans to film a second season so that contract still stands.

Ms. Neff asked how much the Museum saved by cancelling these contracts. Mr. Conti replied that though it is not all aggregated yet, landscaping was costing \$3K per month, housekeeping was \$12K per month, and other amounts such as the elevator maintenance contract are not as much but the savings will add up. Mr. Conti added that current negative earned revenue figures combined with the inherent uncertainty of what future attendance figures might be requires that the Museum aggressively control costs as quickly as possible.

Dr. Groover asked if it would be possible to sell some of the geological specimens in the Museum's collection to raise revenue. Ms. Voelkel responded that revenue generated from objects sold at auction is required to support collections rather than general operating costs per the Museum's Collection Policy, and added that at this time there does not appear to be a market for these items.

### **Personnel Plan**

Mr. Conti then gave an overview of the following:

- Furlough 50 of 57 wage employees while providing two additional weeks of paid pre-layoff leave effective 4/10/2020. These employees would stay on payroll with zero hours. This will allow these employees to take advantage of the current increase in unemployment benefits.
- All full time employees take a 10% salary reduction under the Temporary Workforce Reduction program by taking one unpaid leave day per pay period.
- Combined these two actions would save approximately \$75K per month.
- A potential additional step would be the layoff of as many as 17 of 62 full-time employees, amounting to approximately 25% of the Museum's full-time workforce.
- Since the Museum is self-insured, the costs of paying unemployment benefits are largely borne by the agency. In addition, severance benefits

for full-time employees are sufficiently high that it would take as much as a year to experience the full cost benefits of this step.

Mr. Conti again emphasized that the uncertainty associated with the current situation requires aggressive and immediate action to prepare for future state budget cuts which may be unprecedented, as well as prepare for the possibility that earned revenue will be lower, possibly significantly lower than prior to the COVID-19 emergency. He added that although he is currently empowered by the Board to carry out these actions on his own authority, he wanted to ensure that he had the full support of the Board prior to doing so.

Mr. Davidson asked if it would be possible to place full-time employees in an unpaid status which would still allow them to receive their benefits. Mr. Conti answered that was a possibility, as employees can be furloughed rather than laid-off which would allow them to keep their benefits. He added that there are several employees that are qualified to retire, and that possibility would be discussed with those employees.

Mr. Mills asked Mr. Conti to clarify what Foundation funds can be used for. Mr. Conti said that there are approximately 55 restricted funds in the Foundation, some of which are highly restricted and can only be used for specific purposes, while other funds are much more flexible and can be used to support a variety of operating costs. He added that although the Museum could continue to draw on Foundation funds to pay current personnel and operating costs through the end of June, the uncertainty of the current situation suggests that the best course of action is to aggressively reduce costs now and preserve additional Foundation funds in case they are needed later. Mr. Mills agreed, and asked if there are any additional fundraising efforts underway by the Foundation, such as donor outreach. Mr. Conti replied that there is a significant amount of donor outreach going on at this time, but more in a one on one way with existing donors. The Foundation has applied for a small business CARES loan, which as a state agency the Museum is not eligible to apply for.

**Resolution #003-2020: COVID-19 Budget Authority**

Mr. Conti then reviewed Resolution #003-2020 and asked for the Board's consideration and support.

Dr. Groover made a motion to approve the resolution. Ms. Neff seconded the motion. Mr. Davidson called for a vote and the motion was passed unanimously without objection.

Mr. Conti then discussed the Virginia Senate's upcoming session at the Museum, scheduled for 4/22/2020. The session will be held in the Dewey Gottwald Center which will allow the Senators to social distance. The House of Delegates may also meet in Garner Pavilion, but the Speaker of the House has yet to make a final decision.

Mr. Davidson asked if the session would be recorded. Mr. Conti replied that it was possible but he did not know whether or not it would be available for later viewing by the public.

Ms. Laufer asked if the Museum was in partnership with the Virginia Department of Education to provide content to assist with homeschooling. Mr. Conti replied that those conversations are taking place, but his understanding is that the Department of Education has limitations as to what they can put out, but classes are now able to register to watch live demonstrations by Museum staff online. Ms. Laufer asked if this was bringing in any revenue. Mr. Conti responded that at this time it was free of charge, and added that the Lunch Break Science lecture series is having its first presentation via Zoom on 4/15/2020. Science on Tap events via Zoom are also being discussed at this time, but the relatively small amount of revenue that would be made would probably not justify the cost of the system to collect it.

Mr. Conti asked the board members if he thought that it was necessary to have the scheduled Board of Trustees meeting on 4/23/2020, though a June meeting to approve a budget would have to take place. Mr. Conti asked Ms. Norwood if it would be legal to approve a budget via a Zoom meeting. Ms. Norwood replied that it would be, although the Board would have to be careful not to discuss other issues.

Mr. Conti added that the Planet Shark exhibit is currently on a ship inbound to Norfolk, and a decision would be made at a later time whether or not to install it for this summer or wait until a later date. He also added that the parking deck and Northern Virginia projects are currently still ongoing, but his sense is that the COVID-19 emergency may slow them down. Mr. Davidson added that any capital project that is not already in the middle of a procurement has already been cancelled.

Mr. Davidson asked if the first Thursday in June would be a workable date for the next Trustee meeting, which was agreed to with no objections heard.

Mr. Davidson then asked for any new business, and with nothing heard thanked Mr. Conti, Ms. Voelkel, and Mr. Blow for their efforts and adjourned the meeting at 10:41 a.m.

The next meeting will be on June 18th, 2020