

MUSEUM OF SCIENCE & INDUSTRY, INC.
BOARD MEETING
TUESDAY, January 17, 2017 at 12:00pm
Coleman Science Works Theatre
PRESIDING OFFICER: MICHAEL SCHULTZ, CHAIR

The meeting was called to order at 12:07 by Chair, Mike Schultz

Board Members Present: Al Higginbotham, Annmarie Hare, Bret Feldman, Carole Dale, Charlotte Brittain, Dennis Rogero (phone) Karrie Hebert (phone), Kim Madison, Larry Plank, Lori Nissen, Mario Garcia, Maruchi Azorin (phone), Matt Lazzara (phone), Michael Morris, Mike Schultz Patti Jurinski

Board Members absent: Ashley Carl, Kenneth Stewart, Lindsey Kimball, Molly Demeulenaere, Robert Thomas, Santiago Corrada

MOSI Staff Members Present: Julian Mackenzie (phone), Vicki Ahrens, Mike Knapp (departed immediately following call to order), Kenyetta White-Johnson (Recording)

Consent Agenda – A correction was made to the meeting minutes from November 15, 2016 to show that Dennis Rogero was in attendance at the meeting via phone. After the change was noted, a motion was made by Mike Schultz to approve the minutes. The motion was seconded, and the minutes were approved.

Chora Update – Mike Schultz gave an update on where we are with the strategic planning process, and reported that Chora is currently working on three priorities:

1. Budget- Chora was asked to review the budget which was presented to ensure the revenue assumptions were correct and to also look at the expenses. Molly and Julian are having regular conference calls with Chora to assist them with any information they.
2. Leadership Assessment- During this first phase, Chora will also perform Molly's leadership assessment.
3. Ongoing Business Model- As part of this process, Chora will give their recommendations on the Business Model, by assessing where MOSI is today. They will also make recommendations on how to help MOSI through the transition period over the next few years and recommendations for future success of the institution.

Mike also reported to the group that Chora will attend the Executive Committee meeting on Thursday, January 26, 2017 to give an in-person update. He extended an invitation to all Board Members to attend the meeting.

Financial Review- Michael Morris gave an Executive Summary of the December 2016 Financials.

- For December 2016, revenues were 67% or \$355k above budget, and 14% or \$110k above prior year. This includes the \$175k Development Contributions from Board Members and \$103k from

the Jeff Vinik group to reimburse expenses related to the originally planned summer event. Hollywood film “Rogue One” revenues were \$78k unbudgeted, but likely contributed to Institution films revenues below budget by \$24k. Much of the \$14k above budget revenues in Other Income represents preferred seating for “Rogue One” that is not shareable, so it is being reported separately. Admission Revenues and Membership Fees, both performed above budget and last year, however, most other categories performed below budget. Food Revenue is \$25k and 74% below budget. Vicki Ahrens has a meeting planned to review, but it appears to be significantly due to reduced catering schedule.

- Operating Expenses for December were \$9k or 2% below budget, and \$186k or 25% lower than last year. Most categories are below budget. \$44k in unbudgeted Hollywood film prints and royalties relates to “Rogue One” revenues also unbudgeted.
- The operating surplus before depreciation for December was \$313k compared to a budgeted deficit of \$398k and a prior year deficit of \$252k.
- MOSI continues to make use of the Reserve Fund while waiting for reimbursements from the State Grant for the new exhibit construction. Per the Grant Agreement, MOSI must now wait until the project is complete to receive the final reimbursement from the State.
- Accounts Payable is about \$88k lower than a year ago, but \$75k higher than last month. \$44k represents current “Rogue One” amounts due to Disney® and \$77k in payables were just paid. MOSI independent auditors were partially paid and have begun audit procedures this month, with the understanding that they will be current before the can issue a final audit report.
- Julian is continuing to review issues related to overstated A/R and Deferred Grant Revenue that we discussed last month.
- Projected Cash Flows represents actual for completed months and monthly budget figures for remaining months. The report ties to actual surplus (deficit) reports and then reconciles non-cash items to tie to actual cash balances. While the report projects a negative cash balance of \$29k next month, that would only be the case if planned payments of \$95k towards old A/P takes place. It does show how important it is that MOSI collects the \$300k considered by Mr. Vinik, which is not represented on the report.

Julian reported that the auditors are onsite at MOSI and began the audit process this morning.

Sunshine Update- In Molly’s absence due to illness, Bret Feldman conveyed the information regarding the Sunshine lawsuit, that he has received through his discussions with Molly and with MOSI’s outside counsel. Bret reported that MOSI is currently working to retain new counsel to represent it in the Sunshine Lawsuit. At the last Executive Committee meeting, the Executive Committee was not in agreement with Tom Gonzalez’s approach to the lawsuit, and decided to obtain new counsel. Bret reported that the lawsuit is on a temporary hold while MOSI is looking to retain new counsel, and consequently there are no immediate litigation deadlines. Bret will request a meeting with County representatives in hopes of receiving better clarification on the County’s position regarding the Sunshine matter. Bret further reported that MOSI is continuing the address the issue and to look for possible solutions.

Following Bret’s update, Mike Schultz reported that after MOSI has retained new counsel, the first item on the agenda, is for MOSI to respond to the amended lawsuit. Mike also reported that if the lawsuit resolves that MOSI is subject to the Sunshine Law, MOSI representatives would need to undergo training

by taking a Sunshine Law Education Seminar. Commissioner Al Higginbotham reported that there are County Representatives who would be able to assist MOSI with this training.

Chair Remarks- Mike spoke to the Board of Directors regarding the MOSI lunch expense for the Board of Director's meetings. Confirming attendance in advance of the meetings will ensure that we have an accurate count of lunches needed for the meetings, to help minimize the expense. The Board of Director's agreed to go back to the process of Board Members sponsoring the Board lunches. Kenyetta will email to the Board of Director's the sponsorship form to include meetings dates for FY16 and FY17.

The meeting was adjourned at 12:34pm

Next Meeting: ~~March 21, 2017~~ March 23, 2017 at 8:00am, in Schiff Family Boardroom, 4th floor.