The meeting was called to order at 8:00am by Chair, Mike Schultz.

Board Members Present: Mike Schultz, Bret Feldman, Karrie Hebert, Lori Nissen, Maruchi Azorin, Larry Plank, Michael Morris, Ashley Carl, Charlotte Brittain, Patti Jurinski, Carole Dale, Kimberly Madison, Steve Kucera (phone), Al Higginbotham (phone), Matt Lazzara, Annemarie Hare, Denins Rogero (phone),

Guests Present: From Chora: Robert Sullivan, Maria Elena Guiterrez (phone)

Board Members absent: Lindsey Kimball,

MOSI Staff Members Present: Julian Mackenzie, Vicki Ahrens, Kenyetta White-Johnson (recording)

Consent Agenda – After a correction was made to the minutes showing that Karrie Hebert was present in person at the January 2017 Board of Directors meeting, a motion was made by Mike Schultz to approve the minutes from the January 2017 Board of Directors meeting. The motion was seconded and the minutes were approved.

Chora Report – Robert Sullivan gave a PowerPoint presentation to the Board of Directors, which consisted of four scenarios highlighting a sustainable business and organizational model during the transition of MOSI, with an emphasis on “right sizing” MOSI for transition. Robert Sullivan also reported that Chora used NPV valuation methodology: (1) The NPV of MOSI’s discounted cashflow for the next four years; and (2) the NPV of each scenario can be equated to the value of the strategy proposed by each scenario. Each of the four scenarios is based off of the budget which was approved by the MOSI Board of Directors and each scenario is based on the assumption that MOSI is debt free when transferred downtown. Mr. Sullivan reported that the approved budget doesn’t include paying back the bank debt.

Scenario 1- Status Quo: MOSI continues to operate as is after implementing recommended 2017 budget cuts. This scenario takes into account the following assumptions:
- Attendance is flat following recent historic trends
- Full-time staff reductions based on the staff reductions file from MOSI and steady after
- No annual increase in salaries
- Leasehold from MPS ends by July 2018
- Development contributions are projected $1.7 million in 2017 are down to $600k by 2020
- Pompeii runs from December 2017 to May 2018. The probability assumptions are taken from EI Pro-forma
- $250k line of credit is extinguished
- Accounts Payable are liquidated in full by the end of FY 2017
• Consolidated loan and operating loan are paid in full by 1st Qtr. 2020 according the the debt amortization schedule
• Interest expense is calculated with debt amortization and not included in the P&L

**With Scenario #1, the NPV would be negative $5,084,583**

**Scenario 2-Consolidation**: MOSI closes Kids In Charge, in order to realize facility and staff savings and invests in the Idea Zone to rebuild brand equity. Scenario 2 takes into account the following downsizing key assumptions starting FY2019:

• Reduced pricing starting September 2018 to reflect a reduced operation
• Decline in attendance starting 2019
• Development contributions decline from $1.7 million in 2017 to $800k and down to $600k
• $250k investment to upgrade the Idea Zone in the summer of 2018
• A reduction in staff, from 58 FTE to 45 to 34 to 33 FTE in outer years, in response to closing Kids In Charge
• Net reduction of approximately 15 percent on facility and other contracts as a result of consolidation
• Reductions in Marketing/Food and Entertainment/Travel and Training
• Remaining assumptions same as status quo

**With Scenario #2, the NPV would be negative $4,616,314**

Robert Sullivan reported that with scenario #1, MOSI would close Kids In Charge and a $260k investment would be made to upgrade the Idea Zone by expanding its current footprint to 10,000 sq. ft. This upgrade would make the Idea Zone more appealing with lots of room for families to make and tinker. All of the Exhibits in Kids In Charge would go away under this scenario. Charlotte Brittain asked if any of the space in KIC be used for exhibits and Robert Sullivan reported that the Kids In Charge building would be closed and turned over to Hillsborough County. The County would then be responsible for maintenance of the space and would be able to lease it. Maruchi Azorin asked if the $4 million NPV included the salvage value of the exhibits in KIC, Robert Sullivan reported that the salvage value of those items were not included in their modeling of this scenario; however, Chora could provide a per square foot assumption.

Matt Lazzara asked if the expansion of the Idea Zone would affect the second floor exhibit. Robert Sullivan reported that it would not. Robert also reported that currently there have been no conversations between Chora and the State regarding the contract of Connectus, but expects that those conversations will take place in the near future. Ashley Carl asked if there is a possibility that the Connectus Exhibit could be moved to a satellite location Robert reported that the possibility will be negotiated legally with the State.

Michael Morris reported that in the past, we have marketed MOSI to families using KIC, and asked how this would affect MOSI if we close KIC. Robert Sullivan reported that Chora does anticipate a drop in attendance as a result of the closing of KIC, but feels that it will be counter-balanced by investing in the Idea Zone and a reduced admission price.
Larry Plank expressed concern regarding the timing of the closing of KIC, as KIC was a positive of MOSI and gave the museum the ability to accommodate kids in the summer. Closing KIC would mean MOSI would lose 50% of its classroom space. Robert Sullivan reported that MOSI would remain open through the summer of 2018, in order to capture the last summer of camps and begin to reduce the footprint in October of 2018.

**Scenario 3-Shut Down:** MOSI closes its doors to the public as soon as feasible (i.e. after Pompeii) and goes into hiatus during planning and construction downtown. Scenario takes into account the following assumptions:

- MOSI Fowler Avenue closes its doors to the public
- Attendance and membership fees decline by 20 percent starting 2018 as public becomes aware
- Full-time employees are reduced during 2018 (from 58 FTE in 2017 to 21/6/6 in the outer years) with some personnel services contracted out.
- Small Executive staff remains as core planning team for downtown
- $600k grant from Hillsborough County continues through the transition. Any other donations go to capital campaign not operations
- No other development contributions materialize beyond the $600k starting 2018.
- Hillsborough County takes possession of building in October 2019 and provides free office space for core staff team
- Some unforeseen cash expenditures are modeled to give core-planning team some flexibility during hiatus period.

**With Scenario #3 the NPV would be negative $2,509,976**

Charlotte asked why Scenario #3 shows the County taking possession of the building in 2019 instead of 2018. Robert explained that this would allow a year of transition to move exhibits, to the new downtown location.

**Scenario 4- Shut Down with Satellite Location:** MOSI closes its doors to the public as soon as feasible (i.e. after Pompeii) and opens downtown satellite operation soon after while developing the downtown project. Scenario #4 takes into account the following assumptions:

- MOSI’s Fowler Avenue location closes its doors in October 2018
- Connectus transfers to 20,000 sq. ft. lease-free downtown location (including staff offices and a Make It Center).
- Development contributions decline from $1.5 million in 2017 to $800k/$600k/$600k
- Attendance and membership are steady in 2018 and MOSI retains some members due to downtown location
- Small Executive Staff remains as core planning team for downtown (from 58-31-6-6- FT positions).
- Ten part-time positions operate the Satellite with the Core Executive Team, plus a $500k in non-personnel operating expense budget.
- $600k grant from Hillsborough County continues through transition. Any other donations go to capital campaign, not operations.
- Invest $700k in build outs for the temporary location with most of the money going towards a “Make It” facility to complement the Connectus exhibit.
With Scenario #4, the NPV would be negative $2,477,425

Patti expressed concern regarding Chora’s ability to obtain a temporary space for MOSI with a free lease option. Robert reported that there has been loose conversations regarding some options, and he has an appointment following today’s meeting to look at the space.

Larry Plank expressed to the group the need for MOSI to stay visible in the community for educational outreach and to maintain MOSI’s brand equity. He suggested as pop-up exhibits, School vans, etc. would be beneficial. Patti also suggested that we increase outreach and get the best quality teachers.

Robert Sullivan reported to the Board that Chora recommends Scenario #4 to shut down MOSI’s current location and open a satellite location.

Michael Morris asked for further clarification regarding the MOSI partnership lease, and Larry Plank explained that there are boundary issues, which would make it necessary to move the school to a new location after the 2018 school year.

After all of the scenarios were presented to the Board, Mike Schultz asked the Board to take an action that he would be able to present to MOSI’s partners at tomorrow’s meeting. After further discussion, a motion was made to eliminate scenario #1 and scenario #3, the motion was seconded and approved by the Board of Directors.

The meeting was adjourned at 9:20am and immediately went into an Executive Session, at which time all MOSI employees left the boardroom.

Next Meeting: May 16, 2017 at 12:00pm, in the Schiff Family Boardroom, 4th floor
Next Meeting: March 21, 2017 March 23, 2017 at 8:00am, in Schiff Family Boardroom, 4th floor.