The meeting was called to order at 12:06pm by Board Chair, Mike Schultz

**Board Members Present:** Maruchi Azorin, Charlotte Brittain, Ashley Carl, Santigo Corrada, Carole Dale, Bret Feldman, Annemarie Hare, Karrie Hebert (phone), Al Higginbotham, Patti Jurinski, Steve Kucera, Matt Lazzara, Larry Plank, Dennis Rogero (phone), Mike Schultz, Kenneth Stewart, Robert Thomas

**Board Members absent:** Lindsey Kimball, Michael Morris, Lori Nissen,

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

**Consent Agenda** - Via email, Matt Lazzara requested that the minutes be amended to show that his opposition the vote on Option #4 as recorded on page 2 of the April 13, 2017 meeting minutes be revised to reflect that his opposition to the vote was because a location had not been identified for a lease-free satellite facility to be used after the closure of the current MOSI campus. The amendment was noted on the minutes. A motion to approve the April 13, 2017 meeting minutes was approved by the board of directors.

**TTF Recommendation** - Mike Schultz reported to the board that there has been a significant change of course based on MOSI's financial position, and the TTF has recommended a Business Model that can be sustainable over the next three years. Julian gave an abbreviated high-level overview to the board explaining the proposed business plan. Julian reported that currently, MOSI has a YTD surplus of just over $166k, and we are ahead of budget. This is a result of contributions from the endowment fund and major donors. Without those contributions, MOSI would not be able to sustain. As shown in the business plan, management of the main building and the MOSI Partnership School would be transferred to the County and IBHS would remain on the second floor of the Welcome Center and continue to pay their lease. Julian explained that the dwell time for the Science Learning Lab would be approximately 2 hours instead of an all-day visit and Outreach and Education programs will continue to be a part of MOSI’s business. The transition into KIC is expected to begin after Labor Day, and MOSI will close to the public for approximately 6 weeks during this transition period. Julian reported that between now and September, staff reductions will occur.

Carole mentioned that a large majority of MOSI’s current guests are families with children under the age of 8 years old, and the business plan says the Science Learning Lab will cater to families with children 8 years and older. Carole expressed that under the new plan, MOSI would be trying to draw a new market without having new marketing dollars. Julian reported that currently, MOSI seems to be overlapping with Glazer and we would be better focusing on families with children 8 years of age and above. Grayson
reported that we will have options for younger children and will keep some of the favorites that appeal to the younger kids in KIC. Carole mentioned that marketing should research information on who attends.

Julian reported that the County and the Vinik Family Foundation have agreed to cover all of the liabilities of the current MOSI, and MOSI will be debt-free when it moves to the new location and will continue to receive support from the County. Ashley inquired about the staff reductions and mentioned that MOSI management should check with the state to see if there are any specific requirements regarding the staff reductions. Julian reported that with the proposed business plan, MOSI will reduce its fulltime staff from 60 to 15. Julian also reported that under the business, plan Spectra (food service) and SSA (gift shop) will not continue and the SLL will only have vending service. Ashley asked if there will be enough parking with the new plan. Julian believes there will be.

Ashley asked Commissioner Higginbotham, if he feels comfortable that the BOCC will approve continued funding to MOSI, in the event that the Homestead Exemption passes. The Commissioner reported that the County has already implemented a hiring freeze and are planning budget workshops, so he is confident the support will be there. Everyone will have to adjust, and so will MOSI. The Commissioner reported that he and Mike Merrill are committed to preserving the MOSI brand. The County does not want to see MOSI fail. A good portion of the funding will come from the Seminole Gaming Pact. Bret asked the Commissioner if the County has an idea of what it will do with the property. Commissioner Higginbotham reported that the County will do a study to see what is the best option providing the most positive impact for the property. Steve Kucera asked what MOSI and its partners are planning to do in order to make sure there is positive energy regarding the visioning of the new plan to ensure the public that this is part of the transition to show MOSI has a fit and a place downtown in the downtown area. Santiago asked if MOSI has reviewed its contractual obligations that will need to be fulfilled in the main building to ensure that all of the things that are physically tied to the main building are tied up in an orderly fashion. Julian reported that he and Vicki have spent time considering all of the contractual obligations. Julian reported that Spectra has been factored into the liabilities and debt. The Connectus Exhibit is currently under construction, and it was decided that it wasn’t a good idea to put Connectus directly into the new location due to the history with the contractor. Julian reported that he and Vicki are unaware of any obligations with IMAX. Julian and Vicki have spoken with EI regarding the Pompeii Exhibit and told them MOSI had decided not to do the exhibit as a result of the new plan, and the conversation didn’t go well. After further conversation, a small team from EI came to MOSI to look at the Welcome Center space as an option for the exhibit. They were happy with the space, and he and Vicki are waiting to hear back from them. Maruchi asked about the SSA contract, and Vicki reported that the SSA contract expires on September 30, 2017.

Bret inquired about the financials which Chora presented at the last board meeting and whether or not they were accurate. Julian reported that attendance at MOSI is down 30% and contributions are down as well. The management team grew worried about how MOSI would sustain in 2018. The management team concluded that it would make more financial sense to accelerate the move and not run up a huge deficit for next year. Bret asked why the board should trust what they are seeing now if the financials have changed and they could not trust what was presented at the last meeting. Santiago asked if there is an exit plan to the proposed business plan. Mike reported that the volumes have continued to decline and we will probably see further erosion and the business plan is as conservative as you can get and is penciled out as a break even. Santiago asked if there is a plan if the business plan does not work. Julian reported that there is no other alternative, and MOSI would close. Patti asked about the projections and gate and
how many of our current memberships are included in that, and is MOSI planning to continue selling memberships with the new plan. Grayson reported that we included 25% for the memberships that will carry over to SLL. Grayson has a meeting scheduled with Bryn to discuss any extras that will be offered to members. Patti expressed concern that the memberships will pull away from the projected numbers and suggested that MOSI staff make sure that the projections for the SLL are as accurate as possible.

Ashley asked what the adjusted Pompeii exhibit would look like. Julian reported that he wouldn’t know until we hear back from EI. Commissioner Higginbotham expressed concern regarding the Pompeii exhibit and reported that he does not think MOSI should host the exhibit, as he feels the exhibit will weigh the institution down to a point that it will not be able to transition. Julian reported that the exhibit would be low financial risk for MOSI. Some members asked about the parking situation at MOSI if MOSI does host the Pompeii exhibit, and asked Commissioner Higginbotham if he saw any reason why MOSI would not be able to utilize the parking area at the main building. Commissioner Higginbotham says he does not see any reason why MOSI would not be able to use the parking lot. Grayson reported that we would have 88 spots at SLL with some additional spaces, which run over into the Renaissance Festival parking area. Larry Plank asked what the County’s position is on maintaining the partnership school. Julian reported that the County would honor their agreement to maintain the building.

Santiago mentioned that in the business plan, it did not appear that there was going to be a board structure. It appears as though the TTF would be about the management of the transition to SLL. Mike reported that the intent is to keep the board structure as is through the transition. Mike asked for a motion to accept the business plan. After further discussion, board members suggested that the vote on the motion to approve the business plan wait until after they have heard the Communications plan.

Grayson gave an overview of the Communications plan, which included the timeline of how news of the SLL would be rolled out to staff and the community. Steve suggested that we make the message come from the Tampa Bay Community and advised by Chora, and suggested that we use the word reconfigure instead of right size. It was also suggested that we remove the reduce staff verbiage and use the word reimagined. Commissioner Higginbotham suggested that we add wording to state, “you will continue to see some of our favorites”. Patti asked if MOSI will be releasing the number of staff that will be impacted by the reconfiguring. It was recommended that we simply state, we will have the appropriate level of staffing for the new facility and not give an exact number. Santiago suggested that Grayson think of as many questions as possible that could come from the press release so that we are prepared. Robert reiterated that economically, this is a better plan instead of a complete shutdown, which would be worse. We are working on preservation of brand equity.

Steve asked if MOSI staff had been contact with past donors about the reconfiguration plan and what the reconfiguration will mean for the donations they have made, especially in the areas that will be closing down.

After further discussion regarding the reconfiguration plan, Robert reminded everyone that this is a better plan economically for MOSI instead of a complete shutdown. In the end, a complete shutdown would be worse and we are working on preservation of brand equity. Charlotte asked if MOSI staff have been informed of the reconfiguration and Grayson reported that a conversation with staff would be first on the list. Steve asked how the reconfiguration will effect MOSI’s Legacy donors. Julian reported that the leadership team is currently working on a plan to speak with MOSI’s donors.
Mike Schultz asked for a motion to approve the reconfiguration business plan as recommended by the Transition Task Force. Bret made a motion to approve the plan based on MOSI stakeholders and partners desire to take a more conservative approach and given the projections outlined in the TTF recommendation. The motion was seconded by Ashley Carl and approved by the board. Due to a previously scheduled meeting, Board member Karrie Hebert had to leave the board meeting prior to the vote.

**Sunshine Agreement**- Julian gave an update on the Sunshine Agreement. A motion was made to approve the agreement as presented to the board. The motion was approved pending confirmation with MOSI counsel as to timing, as additional time is needed in order to allow board members who were absent from today’s meeting to approve.

**April Financials**- Julian gave a review of the April Financials

- April 2017 revenues were 22% or $131 below budget and $5k or 1% below prior year. Development revenues were 50% or $95k below budget. This included the write-off of a $20k pledge. Education revenues were 20% or $21k below budget. Food revenue is 24% or $12k below budget for the month.
- Operating expenses for April were $66k or 12% below budget, and $200k or 29% lower than last year. Most categories are below budget.
- The operating deficit for April was $26k compared to a budgeted surplus of $38k. The result for the first seven months of FY 2017 was an operating surplus of $166k, compared to a budgeted deficit of $460k and a prior YTD deficit of $802k. While $300k of the $600k surplus over budget deficit represents special contributions, $300k does represent operations. MOSI management team has approached the Endowment committee and requested that consideration be given to converting the current $350k Endowment loan to a contribution.
- Operating cash at April 30th was $333k. Cash flow and projections continue to be very tight and MOSI management team continues to work through transition options with recommendations to be provided at the Board meeting next week.
- Prepaid Expense increase of $142k is significantly representative of Insurance premium to be written off straight line and offset by $144k in Accounts Payable. This will be moved to an Accrued Expense account next month so as not to impact Accounts Payable aging as it is paid in accordance with the payment terms. Accounts Payable is about $139k lower than last month after adjusting for this accrued insurance.
- Projected cash flows represents actual for completed months and monthly budget (new budget per Chora recommendations) figures for remaining months. The report ties to actual surplus (deficit) reports and then reconciles non-cash items to tie to actual cash balances. The report projects positive cash balances for the remainder of this FY, but does not include a reduction of old A/P ($600k > 30 days). MOSI management team is continuing to work with the County and the Vinik group on transition plans and the possibility of providing MOSI with assistance regarding Chora, A/P and bank loans.

**Chair Remarks**- Mike reported to the board that he has spoken with Robert Thomas and asked Robert if he would consider stepping in as board chair sooner. Mike reported that the scope of his responsibilities at Florida Hospital have increased significantly and as MOSI moves through the visioning process, it makes more sense to have someone front and center. Mike reported the Robert agreed to step in as chair
effective today and asked for a motion to approve the change. A motion was made and approved by the board.

The meeting was adjourned at 1:38pm

Next meeting: Wednesday, June 14, 2017 at 12:00pm at MOSI