

MUSEUM OF SCIENCE & INDUSTRY, INC.
BOARD MEETING MINUTES
Tuesday, September 26, 2017, 12:00pm
University Club, Harbour Room
PRESIDING OFFICER: ROBERT THOMAS, CHAIR

Board Members Present: Ashley Carl, Charlotte Brittain, Santiago Corrada, Carole Dale, Bret Feldman, Annemarie Hare, Karrie Hebert, Al Higginbotham (phone), Patti Jurinski, Matt Lazzara (phone), Michael Morris, Dennis Rogero, Mike Schultz, Robert Thomas

Board Members Absent: Maruchi Azorin, Lindsey Kimball, Steve Kucera, Kimberly Madison, Larry Plank, Kenneth Stewart

Guests Present: Tom Fesler (Hillsborough County), Sam Lazzara (Rivero, Gordimer & Company, P.A.)

MOSI Staff Members in attendance: Julian Mackenzie, Vicki Ahrens, Rob Lamke, Kenyetta White-Johnson (recording).

The meeting was called to order at 12:07pm by Board Chair, Robert Thomas.

Public Comments- There were no members of the public present at the meeting.

FY2015/2016 Audit Review- Sam Lazzara, with Rivero, Gordimer & Company, P.A. gave a high-level overview of the 2016 audit results and reported that no material weaknesses were noted during the audit process. Sam reported that he has spoken with MOSI staff to expedite the goals and processes for the upcoming 2017 audit. As part of the 2017 Audit process, MOSI board members received an audit letter and a Related Party questionnaire to complete and turn in at today's meeting. Following the overview of the Audit report, Sam Lazzara left the meeting.

Consent Agenda-

Finance Committee Chair, Michael Morris asked that the following corrections be made to the July 2017 Board of Director's meeting minutes:

1. Revenues were ~~down~~ \$691,107, which was 13% below budget and 4% below prior year.
2. YTD Revenues were ~~down~~ \$5,134,319 which was 4% above budget and 4% below prior year

Vicki Ahrens gave a brief explanation of the MOSI Document Retention Policy, explaining that MOSI legal counsel reviewed the policy, and changes were made in order to bring the policy into compliance with the Sunshine Laws.

Michael Morris made a motion to approve the consent agenda with the noted changes. The motion was seconded by Ashley Carl and approved by the Board of Directors.

Reconfiguration Update- Rob Lamke gave an update on the MOSI Renovation. Rob reported that there is considerable work to be done; however, we are on schedule. The MOSI staff is currently seeking solutions with window tinting that will also have the benefit of utility energy reduction by an estimated 50%-60%. The creative/graphic plan is in place and will be over 50% complete by October 1st.

Deaccession of Collections- Vicki provided an overview of the current MOSI collections. The motion was present to the board as follows:

MOTION

The Board of Directors approve the deaccessioning of all items that are currently included in the Museum of Science & Industry Collections to allow for the sale or transfer of said items, and approve the disposal of non-Collection related materials (architectural models, signs, magazines, etc.) currently stored in the Collections area.

A brief discussion was held regarding the collection and Robert Thomas asked that before any assets are monetized, that MOSI staff come back to the Board of Directors for their assistance. Mike and Ashley asked MOSI staff to look into any property dispensation laws that could affect the way the assets are monetized.

Ashley Carl made a motion to approve the deaccession of the Collections. The motion was seconded by Bret Feldman and the motion was approved by the Board of Directors.

Opening of Bank Account- Julian reported that Republic Bank approached the MOSI Management team offering to open a new 'Restricted' account with a higher return. The existing account only offers a return of 0.1% while the new account will offer a return of 0.5% per annum. The management team recommends that the Board of Directors approve the opening of this new account and closure of the existing account. Julian reported that the account currently has approximately \$1.1 million dollars.

Santiago Corrada made a motion to approve, which was seconded by Michael Morris and approved by the Board of Directors.

Connectus Agreement- Julian reported to the Board of Directors that moving the Connectus exhibit from the main building over to the Kids in Charge building is proving to be a very complex process, which has resulted in an unforeseen cost. Monster Media has agreed to disassemble, package and move the exhibit for a cost of \$100,000. A brief discussion was held regarding the relocation of the exhibit.

An initial motion was made by Bret Feldman to approve the additional unforeseen, unbudgeted expenditure for a price not to exceed \$100,000.

After further discussion, Mike Schultz made a motion to approve the expenditure, which was seconded by Charlotte Brittain and approved by the Board of Directors.

August Financials- Julian gave an overview of the August Financials

- Notwithstanding the closure of MOSI on 8/13/17, Revenues before Reconfiguration Support totaled \$268,213. This was 50% below budget and 49% below prior year.
- Only 50% of the Month's deferred Membership revenues were recognized due to the early closure.
- Expenses for August amounted to \$411,475. This was \$84,724 or 17% below budget and \$275,484 or 40% below prior year.
- August expenses also included \$68,727 of reconfiguration related expenses.
- Net expenses excluding Reconfiguration amounted to \$342,748.
- Net loss before Depreciation and Reconfiguration support totaled \$143,262.
- Excluding the reconfiguration expenses the net loss Depreciation and Reconfiguration support would have been \$74,535.
- Notwithstanding the closure of MOSI on 8/13/17, Year to Date Revenues before Reconfiguration Support totaled \$6,063,641. This was 5% below budget and 11% below prior year.
- Year to date Expenses amounted to \$5,878,582. This was \$537,442 or 8% below budget and \$1,788,832 or 23% below prior year.
- August expenses also included \$68,727 of reconfiguration related expenses.
- Net Surplus before Depreciation and Reconfiguration support totaled \$185,059. This is \$203,109 or 1,125% better than budget and \$1,009,996 better than prior year.
- After Depreciation and Reconfiguration Support and Year to date Net Surplus stands at \$1,881,000.
- Unrestricted Cash totals \$188,187.
- Restricted Cash (Money Market Account) amounts to \$1,137,879.
- Florida State Reimbursement for Connecticut has been received and the County Reserve account has been replenished.
- Bank Loans and Line of Credit totaling \$563,047 have been retired.
- Accounts payable have been reduced by \$768,685 from \$1,074,566 to \$304,881.
- Deferred earned revenue increased by \$15,212 to \$25,433 representing the sale of Outreach programs to occur in future periods.

Ropes/Zip- Vicki reported to the Board of Directors that Ropes Courses, Inc., the manufacturer of the Zip Line, has recently informed MOSI staff that the life of the Zip Line cable is approximately five years, and they are recommending that the cable be replaced at a cost of \$35,150. Given the current anticipated Zip Line participation in MOSI's new configuration, this capital investment cannot be readily justified- MOSI would barely pay for it before it would have to be replaced again. MOSI management is recommending the permanent closure of the Zip Line portion of the Sky Trail experience and that we only operate the Ropes Course when MOSI reopens on November 18, 2017.

After a brief discussion, a motion was made to approve the closure which was seconded by Michael Morris and approved by the Board of Directors.

Outreach Business Plan- Julian gave an overview of the MOSI in Motion Business Plan and the proposed Outreach Program. Julian reported that he has met with MOSI's lobbyist who thinks he may be able to acquire state funding for the program. Julian reported that he has also been conducting meetings with

various school districts. The proposed Outreach Program would expand MOSI's ability to take Science activities to schools and can accommodate 150 students per session. During further discussion regarding the Outreach Program, board members agreed that the proposal is good; however, several factors regarding funding should be taken into consideration. They suggested that perhaps earned revenue could be used to fund the programs.

Ashley reported to the board that she and Julian met with a team of Hillsborough Community College professionals to discuss summer camps. The goal is to allow MOSI to offer summer camps in different locations.

Governance- Ashley Carl reported that the Governance Committee met on August 23, 2017 to discuss the future of the MOSI Board of Directors. The following Governance Committee Report was presented.

Governance Committee Report- September 26, 2017

During the August 23, 2017 Governance Committee Meeting, the Governance Committee approved a motion to recommend to the Board of Directors that Ashley Carl be appointed Vice Chair of the MOSI Board of Directors.

Slate of Officers for FY17/18

Chair- Robert Thomas
Vice Chair- Ashley Carl (Vote Required)
Treasurer- J. Michael Morris
Secretary- Lori Nissen
Immediate Past Chair- Michael H. Schultz

Continuing Board Members for FY17/18

Commissioner Al Higginbotham
Bret Feldman
Karrie Hebert
Patti Jurinski
Matthew Lazzara
Kimberly Madison
Larry Plank
Dennis Rogero

Board Members whose terms are complete

During the August 23, 2017 Governance Committee meeting, the Governance Committee noted that the following board member terms will expire at the end of FY16/17 and no further action is needed.

Maruchi Azorin
Charlotte Brittain
Santiago Corrada

Carole Dale
Annemarie Hare
Lindsey Kimball
Stephen Kucera
Kenneth Stewart

Ashley reported that Steve Kucera resigned his position on the MOSI Board of Directors prior to this afternoon's meeting. The board members whose terms have reached completion will be recognized during the re-grand opening event at MOSI on November 16th.

Robert Thomas reported that during the August 23, 2017 Governance Committee meeting, the Governance Committee agreed to recommend to the Board of Directors that Ashley Carl be appointed Vice Chair of the Board of Directors.

A motion was made to approve Ashley Carl as Vice Chair of the Board, seconded by Mike Schultz and approved by the Board of Directors.

National Hispanic Scientist of the Year (NHSOY)- Julian gave an overview of the history of NHSOY and the managements recommendation for the future use of the programs trademark. The recommendation was read aloud to the Board of Directors by Robert Thomas.

FUTURE USE OF NHSOY TRADEMARK AND RECOMENDATION

MOSI's Management recognizes the value of continuing to honor nationally recognized Scientists who represent Hispanic heritages and is interested in continuing to support the brand. MOSI owns the trademark for NHSOY and it is a valuable asset to the whole MOSI brand.

Therefore MOSI's Management recommends to the Board of Directors, that the MOSI NHSOY trademark be made available to other entities wanting to use it for similar purposes by means of an annual licensing agreement. This decision will be made year-to-year, and no guarantee of licensing is implied, even if the organization successfully leased/rented the trademark the year prior. Each request must include a business plan from the entity who wishes to use this trademark in order for MOSI leadership to adequately assess the scale and objectives from the requesting entity and make an informed decision as to whether or not the licensing of the Trademark would be warranted.

Following further discussion regarding the program's future, Commissioner Al Higginbotham made a motion to approve management's recommendation. The motion was seconded by Bret Feldman and approved by the Board of Directors.

Chair Comments- Robert Thomas reported to the board that he has worked closely with Julian since becoming board chair and has been very impressed with Julian's leadership. Julian has been performing the job of CEO and CFO, and Robert is recommending to the board that Julian's salary be adjusted to reflect his performance. Some discussion was held regarding the availability of additional funds to accommodate the increase, which would be retroactive to the time Julian stepped in to fill the role of

CEO on an interim bases and prior to officially being appointed to the position. Robert will discuss futher the financials with Julian and report back to the Board.

The meeting was adjourned at 1:46pm