

**Florida Oceanographic Society
Board of Directors Meeting Minutes
October 19, 2020**

Board Present via Zoom Conference call: Allen Herskowitz, Board Chair, - John Amerling, - Mark Cocorullo, - Gary Goforth, - Paul Hederman, - Linda Houston, - Matt King, - Bob Mathias, - Dan Merritt, - Patricia Noonan, Nancy Rand, - Scott Turnbull

Board Present via Telephone: none

Staff Attendance: Mark Perry, Cathy Muir and Abbie Flood

Not Present: Matt Hooks

Board Chair

Board Chair, Allen Herskowitz, called the meeting to order at 3:02 pm

Consent Items

- A. Minutes from the Board Meeting June 1, 2020
- B. Executive Director Reports-Education, Research, Animal Care, Operations and Development
- C. Committee & Task Groups
(See Board Website for Minutes, Reports and details)

Board Action – The Chair requested approval of the Minutes from the June 1, 2020 meeting and the consent agenda. Linda Houston made a motion to approve the consent agenda. Pat Noonan seconded the motion. It was voted on and unanimously approved. Pat Noonan made a motion to accept the minutes of the June 1, 2020 Meeting. John Amerling seconded it. It was voted on and unanimously approved.

Mark Perry encouraged everyone to read the reports on the Board Website.

Mission Moment: Coastal Center – COVID-19, Mark Perry

Zabik and Associates Update, Larry Zabik and Lindsay Zabik

- Larry Zabik stated that we are in the home stretch and can't accept the building until it is perfect. The primary problem has been water intrusion. The windows failed the initial water tests and retesting is scheduled for November. There is also water intrusion on the tile border edge of the 3rd floor. After the railings are installed and grouted, the contractor will come back and apply waterproofing. The plan is then for Zabik to do the water testing on the deck.
- There has been a lot of rain which has resulted in flooding and the overflow going into the lagoon. A temporary solution which was approved by South Florida is to drain the underground water system and pump it into the preserves on the south side

of the property We are trying to get permanent approval from South Florida for that fix. This will probably be a small backup pump.

- The Change Order log shows that the ADA sidewalk revision is complete and should come in at less than \$19M. Item 23 shows a small revision to the outside of the building and Item 24 shows a statue relocation allowance credit.
- No ODP Change.
- The CO should be received by November 23, 2020. We are looking at the end of November/early December for staff to move in.
- Lindsay Zabik will continue to work with Morris Crady and Bill Orazi to make sure all packages and approvals are submitted to growth management so when building is ready we can get our Certificate of Occupancy.
- The additional items of aluminum gates for GFL and 3rd floor deck drip edge are covered in the existing budget. There are no funds earmarked for the wish list.
- Lindsay Zabik presented a cash flow through March 2021 which includes the anticipated exhibit spending. Larry Zabik recommended that we move forward with the exhibits.
- The lease on the trailers has been extended through the end of the year.

Capital Campaign Update – Pat Noonan, Chair & Nancy Perry, CFRE

- Nancy Perry reported that October has been a successful fundraising opportunity. The donors have definitely come through. We received \$100M from a donor who already has given \$150M. Another \$94M has been received from other donors who have already given.
- Two more donations are coming in with no amounts yet.
- Operation shortfall brought in \$106M. The BOD challenge has a total of \$47,500 to date. Also working with the Community Foundation for possible matches.
- Still working on new donors and giving tours. There are lots of irons in the fire.
- Pat Noonan thanked Nancy Perry stating that her energy is miraculous and we are very blessed to have her working so hard for us.
- Allen Herskowitz suggested that we get the exhibits under contract. We had been holding back on a commitment until
 - A. We had the total cost of exhibits covered in cash and commitments.
 - B. We are relatively certain to have cash available to meet the payment schedule.
- Allen Herskowitz asked Abbie Flood to present the summary of the Capital Campaign worksheet. Abbie Flood stated that the numbers were based on the September 2020 Financial Statements. The amount needed for the building without the exhibits is \$1,390,000 which leaves \$333M for the exhibits. There is a potential of \$40M of contingency funds left over for the exhibits. That would give us an updated total of \$373M cash to be used. Thanks to Nancy Perry there is another \$240M that has come in in October. The exhibit fabrication and installation cost is \$941,000 which leaves an amount of \$327M needed. Of that amount, we have \$297M in pledges. The balance needed is \$30M and Nancy Perry has two verbal commitments that exceed that amount Mark Perry is working with Northern Trust on a \$300M Line of Credit (LOC) secured by general business assets. John Amerling made a motion

that we authorize management to go forward with the Color Ad display contract, contingent on having a LOC or adequate cash to meet the payment schedule, Pat Noonan seconded it. It was voted on and unanimously approved. John Amerling said we have to make sure that we close off the building contract flawlessly and pay attention to it. He was confident that Zabik could do it.

Development Committee Update Linda Houston, Chair

- Linda Houston stated that the report is on the Website and she met with Abbie Flood to discuss what is possible for 2021. We need to launch this building in a way that broadens the appeal and tells the community what a fantastic offering this is.
- Nancy Perry has done a phenomenal job of fundraising and we are careful about not going to the same people
- The Summer Appeal brought in \$11,916; the Board Challenge has received \$47,500 to date and the fundraising gap has generated \$106,000. Giving Tuesday is December 1
- The year end appeal and Impact Report and getting ready to go out.
- The Oceans Alive Gala may have to be run as a “non-gala event.” We need to market it in a different way. We can reach out to our sponsors and raise our goal for the online auction to \$50M. That could bring in \$150M
- We can also focus more on memberships and offer different tiers and market more broadly to Palm Beach, St. Lucie, and Indian River Counties. We need to get repeat guests with different offerings
- We have an opportunity with the 3rd floor to make up money with event rental opportunities. We have to adjust and adapt.

Finance Report. Matt King Chair

- Matt King said he would walk everyone through the forecasting of budget for the next 90 days and the scope of the whole year.
- The Financial Statements are still in draft form so we don't have the year end numbers yet.
- Mark Cocorullo questioned why the Administration costs are so high and Mark Perry stated that the Accountant puts the depreciation costs into Administration for the month of September.
- Abbie Flood spoke about the FY Budget 2021 and how we have forecast and predicted what we could. Admissions and Gift Shop account for 33% of our income so the drop in visitation impacts us. The other impact is on Special Events which accounts for 20% of our budget. If we can't have a big event we are at risk in terms of making the budget. We need to have a scaled down realistic budget. There are no school or self-guided groups. Research grants have been delayed due to COVID. There is also a reduction in memberships because less new members are visiting the Coastal Center and existing members are not renewing until they come back. We have been doing some private trail walks and private tours when we are closed to generate income streams.

- The Finance Committee had multiple meetings over the summer and agreed with adopting the “progressive” model which assumes that things will improve over time. It is a model that makes the most sense to us based on our current assumptions. It starts out with 35% forecast for admissions, goes to 40%, 50% and then 75% with a hopeful full recovery by next year. We also looked at the modeling as it related to membership.
- Scott Turnbull asked about funding under the CARES act through the county. The Tourism Board is issuing grants up to \$50M to non-profits. Abbie Flood stated that we are in the process of applying for the grant. Also, the TDC has \$1MM in advertising funds and we will also take advantage of that.
- Mark Perry reported that we used the “progressive” model to create an annual budget. FY 2021 budget revenue is forecast at \$1,369,083 with expenses of \$1,751,409 and a budget gap of \$382,326. That is not a desirable outcome for the year but conditions very uncertain and it does not appear to be in the organization’s best interests to take excessively deep cost cutting measures yet. An approach has been proposed that is to convert to a 90 day rolling budget and adjust it monthly as conditions and performance dictate.
- Mark Perry reported that we have cut unnecessary spending and expenses on landscaping, cleaning, office and staff supplies, volunteer perks and suspended the 401K match. We have current open staff position which will not be filled right now.
- The budget gap fundraising has raised \$100M so far. The Board Challenge is halfway to the goal of \$100M. We will look at exploring additional grants, income generating activities and consider employee furloughs if necessary.
- Allen Herskowitz stated that normally the Finance Committee would ask the Board to review and approve the annual operating budget at the beginning of the fiscal year and monitor management performance against that budget. What we are suggesting under these unusual conditions is that the Board approve a rolling 90 day budget, monitor performance against that budget on a monthly basis and approve the next 90 day rolling budget. This will require the Board to more deeply and frequently engage in the budgeting process than would be the case under normal conditions since the Board’s strategic direction needs to be more reactive to the uncertain real world than under normal conditions. John Amerling made a motion to approve the 90 day rolling budget process and the 90 day budget presented. Pat Noonan seconded the motion. Gary Goforth asked if there were to be any staff furloughs in the next 90 days and Mark Perry said there was not because we had immediate funding. The motion on the table to approve a 90 rolling budget was voted on and unanimously approved.

Strategic Planning Task Group – Paul Hederman, Chair

- No report

Governance & Nominating Committee, Scott Turnbull

- No report

Information Technology Task Group – Dan Merritt, Chair

- There was no report but Mark Perry thanked Dan Merritt for working with Mark Baer and Tom Kurdish in the new building.

Advocacy Task Group- Gary Goforth, Chair

- Mark Perry had an Op-Ed article in the Stuart News on October 15, 2020 regarding the discharges.
- Gary Goforth is exploring linking to other organizations advocacy websites where they have a lot of information that is readily accessible. He took a tour of the Eco Center and would like to see visitors be actively engaged in advocacy.
- Mark Perry reported the Water Management District meetings and Corps of Engineers meetings are continuing. There is a Periodic Scientific meeting every two weeks which Loraé Simpson participates in reporting on our water quality monitoring and oyster program. The River Coalition is active.
- Gary Goforth is in communication with the advocacy volunteers.

Audrey Gillis is resigning from the Board due to unforeseen circumstances. She thanked everyone for the opportunity to serve on the Board.

The meeting was adjourned at 4:24 pm. The next BOD Meeting is scheduled for November 16, 2020 at 3:00 pm through Zoom.

Minutes recorded by Cathy Muir, Administrative Assistant and submitted by Nancy Rand Secretary of the Board of Directors of Florida Oceanographic Society.

Respectfully submitted,

Nancy Rand, Secretary of the Board of Directors
Florida Oceanographic Society