

Minutes of the Patriots Point Development Authority 506th Board Meeting, 10:00 A.M., Friday, July 31, 2020, Leadership Training Facility, Patriots Point Naval and Maritime Museum, Mt. Pleasant, South Carolina.

MEMBERS PRESENT: Bill Hall, *Chairman*
Wayne Adams, *Vice Chairman*
Darwin Simpson
Susan Marlowe
Pat Waters
Zeb Williams, *by phone*
Mayor Will Haynie, *by phone*

MEMBERS NOT PRESENT:

STAFF PRESENT: Larry Murray, *Executive Director*
Royce Breland, *Chief Financial Officer*
Bob Howard, *Property Manager*
Mike Hastings, *Operations Director*
Cole Futch, *IT Director*
Jessica Steinberg, *Executive Assistant*
Rob Clark, *Marketing Director*
Chris Hauff, *Marketing*
Sylvia Wasden, *Human Resources*

OTHERS PRESENT: Bill Craver, *Legal Counsel*

Chairman Bill Hall called the meeting of the Board to order at 10:01 A.M.

Prior to the meeting, a copy of the proposed agenda was distributed via electronic mail to the Board members, media, and designated guests.

Chairman Bill Hall welcomed everyone and informed all present that the Board meeting was being livestreamed to the public.

A. ADOPTION OF PROPOSED AGENDA

Chairman Bill Hall asked for any changes to the proposed agenda. Mr. Wayne Adams made a motion to approve the agenda as presented. Mr. Darwin Simpson seconded this motion, and the motion to approve the agenda as presented passed unanimously.

B. APPROVAL OF PREVIOUS MINUTES- May 15, 2020 505th Meeting as corrected and June 19, 2020 506th Meeting

Chairman Bill Hall asked for any changes to the minutes presented. Mr. Pat Waters made a motion to approve the minutes as presented. Mr. Darwin Simpson seconded this motion, and the motion to approve the minutes as presented passed unanimously.

C. FY 2021 BUDGET

Mr. Larry Murray reported that Mr. Darwin Simpson has been appointed as Chairman of the Operations and Facilities Committee and will also serve on the Finance Committee. Mr. Larry Murray highlighted aspects of the budget, with actual numbers, shortfalls, etc. Patriots Point saw immediate impact of Covid in March and had to let 57 temporary employees go. Mr. Murray and the senior staff have been working on significant budget reductions based on 50% revenue reductions. The budget presented will allow the museum to keep the doors open to the public. Mr. Murray began the presentation of the budget with the Budget Summary. Admissions revenues have been adjusted to 50% of the previous year's revenue. The camping program is suspended and no revenue is projected for this Fiscal year. Total revenue, including admissions, gift shop, parking, event fees, vending and others, are projected to be \$5.8 million less than FY 2020. Lease revenue from fixed lease terms have not changed over the previous year's revenue. The other lease revenues have been adjusted to 60% of their previous year's payments based on minimum rent terms in the leases. Lease revenue projections are \$344,000 less than last year. Mr. Larry Murray highlighted the additional lease payments from the agreement with the Battery Soccer team and College of Charleston. Next is operating expenses. Mr. Murray thanked senior staff for looking at every possible reduction available to allow the museum to remain open with the safety and health of employees and guests being the priority. The operating budget being presented has been reduced by \$5.7 million from the previous FY. There have been significant cuts across the board. The personnel numbers include savings from earlier actions in March. Contractual services has been significantly reduced. Cost of goods is reduce but the gift shop continues to operate at about 68%. The spike in insurance and rental is due to the increase in workman compensation. Insurance premiums have already been paid. The budget presented still leaves the museum with a shortfall. Mr. Larry Murray asked that the board adopt the FY 2021 budget as presented knowing that the cash reserves would be used to balance the budget. Mr. Bill Hall asked if there were any questions. Mr. Darwin Simpson commended Mr. Murray on the excellent projections and for addressing the issues. He stated that the reserve is about \$2.5 million, that the museum is losing roughly \$500,000 every month, and that the doors will be closed by Christmas if the presented budget is not adopted. He would like to ensure that Mr. Murray has flexibility for weather, cold, hurricanes, etc.

D. EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING CONTRACTUAL, LEGAL AND PERSONNEL MATTERS PERTAINING TO PATRIOTS POINT DEVELOPMENT AUTHORITY.

Mr. Wayne Adams made a motion to allow the Board to go into Executive Session to discuss contractual, legal and personnel matters pertaining to Patriots Point Development Authority, which motion was seconded by Mr. Darwin Simpson, and passed unanimously. The Board moved into Executive Session at 10:15 A.M. following a five minute recess.

Let the record show that due to a prior scheduled engagement which he was hosting, Mayor Will Haynie left the meeting at 10:57 A.M.

The Board returned from Executive Session at 11:28 A.M. No motions were made and no votes were taken in Executive Session.

Mr. Wayne Adams made a motion to approve the FY 2021 budget as presented. Mr. Darwin Simpson seconded the motion. Ms. Susan Marlowe asked if there was any discussion. The motion passed in a 5-1 vote. Ms. Susan Marlowe voted against the motion and Mayor Will Haynie was not present for the vote.

E. ADJOURNMENT

With no further business, the meeting was adjourned at 11:31 A.M.

Respectfully submitted,

Jessica Steinberg, *Recording Secretary*

Larry Murray, *Executive Director
and Secretary*