APPROVED Minutes
Science Museum of Virginia
Finance and Business Operations Committee Meeting
VIRTUAL via Zoom

June 18, 2026
11 a.m.

Present: Gina Burgin, Ram Venkatachalam, John Ivins

Staff: Rich Conti, Ash Harris, Courtney Moyer, Timshel Purdum, Martha Quinn, Angela Wright, Ian Coppage, Maggie Gercken and Ada Sue Siler

Other Attendees: J.C. LaRivere, Office of the Attorney General

Welcome, Call To Order and Approval of April 16, Meeting Minutes
Ms. Burgin welcomed everyone and called the meeting to order at 11:02 a.m.

Ms. Burgin noted that a quorum of the committee was not present. Meeting minutes approval will be tabled until the next meeting.

Director's Report and Trustee Summary

Mr. Conti opened the meeting by presenting the Director's Report. He highlighted the Science Museum's continued financial stability, major capital projects, and preparations for the addition of the Northern Virginia Science Center as a new operating location. Mr. Conti reported that the Science Museum is concluding its 19th consecutive year with a balanced budget, reflecting the organization's longstanding commitment to conservative financial management and fiscal responsibility.

- FY27 will represent a unique period for the organization as operations expand to include the Northern Virginia Science Center.
- Planning for the Northern Virginia Science Center includes support from state appropriations, Foundation resources, and private funding sources, with adjustments to be made as necessary as operations develop.
- Construction of the Northern Virginia Science Center is approximately 70 percent complete and remains on schedule. Occupancy is anticipated in late December 2026 or early January 2027.

- The first Northern Virginia Science Center employees are expected to be onboarded in July 2026, with hiring continuing throughout the year as opening preparations progress.
- The café by Bean Sprouts is now open to guests.
- *Orbit* renovation is continuing and planning for renovations to *Speed* is underway.
- East Green planning efforts continue, including ongoing geotechnical work and design development. Construction drawings for East Green are expected to be completed by the end of the calendar year, with the project anticipated to go out for bid next year.

FY26 Financials

Mr. Conti reviewed Trustee Summary through May 2026.

All revenue categories are currently meeting or exceeding budget targets, with revenue collection continuing through June. Year-end projections indicate revenues will finish ahead of budget while expenses remain approximately 2 percent below budget. Utility expenses continue to exceed historical levels and remain an area of financial pressure.

Mr. Conti noted that while FY27 presents new operational challenges associated with opening the Northern Virginia Science Center, the Science Museum has carefully planned for the transition and remains well-positioned financially.

Mr. Venkatachalam commented that the Science Museum's finances appear to be performing well across all areas and expressed confidence in the organization's current financial position.

Mr. Conti stated that contingency plans have been developed in the event the Commonwealth's budget is not approved by July 1.

Mr. Venkatachalam asked about the potential impact of a state government shutdown on Science Museum operations. Ms. Wright explained that based on prior experience, the Science Museum would likely continue operations while limiting certain expenditures. She added that temporary funding mechanisms would likely be available to bridge any short-term gap should a delay occur.

Capital and Maintenance Reserve

Ms. Wright reviewed the Capital and Maintenance Reserve report and provided updates on major capital projects and expenditures through May.

- Maintenance Reserve expenditures totaled approximately $979,000 through May.
- The Parking Deck project has been officially closed and will no longer appear in future reports.
- Expenditures for the Northern Virginia Science Center project currently average approximately $4 million per month for construction services and $60,000-$75,000 per month for architectural and design services.

- The Critical Infrastructure Upgrade project, which includes the Science Museum's windows and doors replacement initiative, continues to move forward as planned.
- Remaining funding associated with the Workers' Compensation Building demolition project is expected to be redirected to support future East Green development efforts.

Ms. Wright explained that staff have prioritized maximizing the use of allowable Maintenance Reserve funding for exhibit-related improvements before utilizing Special Fund resources. She noted that this approach helps preserve operating resources while supporting exhibit enhancements and long-term asset maintenance.

Committee members discussed the status of major capital projects and noted that expenditures remain consistent with project schedules and approved funding plans. Ms. Wright reported that both the Northern Virginia Science Center project and other capital initiatives continue to progress as anticipated and that overall Capital and Maintenance Reserve activity remains in a favorable position.

Enterprise Finances and Operations

Ms. Wright reviewed the proposed FY27 Enterprise Budget and provided an overview of projected revenues, expenditures, and planned investments in retail and event operations. She noted that the budget reflects continued growth in enterprise activities and incorporates efforts to strengthen operational efficiency and revenue generation.

- Cost of goods sold, freight expenses, and labor costs included in the proposed budget reflect expected operating needs and current market conditions.
- Personal service expenditures include salaries and benefits that will be charged directly to enterprise operations.
- Event staffing expenditures include costs associated with contracted catering and other event support services managed through Enterprise operations.
- Operating expenses also include costs associated with food service operations, office expenditures, QuickBooks subscription fees, and Square payment processing charges.
- Enterprise sales are projected to increase approximately 24 percent over the prior year.
- Growth in sales is attributed in part to staffing enhancements and operational improvements implemented during FY26.
- Staff plan to invest Enterprise funds in future gift shop renovations and event space improvements to support revenue growth.

Committee members discussed the continued growth of Enterprise operations and the importance of strategically reinvesting earned revenue into projects that enhance guest experiences and support long-term revenue generation.

FY27 Operating Budget

Mr. Conti reviewed the proposed FY27 Operating Budget and discussed the assumptions, revenue projections, and expense considerations that informed its

development. He noted that the budget reflects a conservative approach while positioning the Science Museum to support operations at all locations, including the Northern Virginia Science Center.

- The proposed FY27 Operating Budget reflects a conservative growth strategy that is consistent with earned revenue performance in FY25 and FY26.
- Enterprise personal service expenses budgeted on the state side are offset through equity transfers from the Enterprise account.
- A new Memorandum of Agreement with the Northern Virginia Science Center Foundation includes approximately $1.5 million in startup and operational support for the Northern Virginia Science Center.
- The proposed budget may require adjustment following final approval of the Commonwealth's budget.
- Any salary increases not supported through General Fund appropriations will need to be funded through the Science Museum's operating resources.
- Employer health insurance premiums are projected to increase an average of 13% over FY26 levels.
- Increased utility costs, including water and sewer rates rising 18% and electricity rates rising 27%, have been incorporated into the proposed budget.
- FY27 represents the first year of significant operating expenses associated with the Northern Virginia Science Center, with limited earned revenue anticipated outside of Foundation support.
- The proposed FY27 Operating Budget is approximately $17 million, reflecting the addition of Northern Virginia Science Center operations and related staffing needs.

Mr. Conti explained that the proposed budget reflects the unique circumstances of adding a new operating location while maintaining the Science Museum's commitment to conservative financial planning.

Committee members discussed the impact of increasing personnel and utility costs on the proposed budget. Mr. Conti noted that higher health insurance premiums and utility rates have been incorporated into planning assumptions and that staff will continue to monitor expenditures closely throughout the fiscal year.

Additional discussion focused on the timing of Northern Virginia Science Center revenue generation. Mr. Conti explained that while operational expenses will begin well before opening, admission revenue is expected to begin later in the fiscal year. He emphasized that Foundation support has been structured to help bridge this startup period and ensure a stable transition into operations.

Northern Virginia Science Center Operating Budget

Mr. Conti reviewed the proposed Operating Budget for the Northern Virginia Science Center and discussed the funding sources that will support startup and early operational activities.

The proposed Northern Virginia Science Center Operating Budget is primarily supported through General Fund appropriations and Foundation support, with a limited amount of anticipated membership revenue. Startup and operating support from the Northern Virginia Science Center Foundation will play a significant role in supporting operations during the facility's initial year. Admission revenue from the Northern Virginia Science Center is expected to begin later in the fiscal year as the facility approaches opening.

Mr. Ivins asked for clarification regarding the Trustee Discretionary Fund, including where the funds are held, how they are reflected in financial reporting, and whether the assets generate investment income.

Mr. Conti explained that the Trustee Discretionary Fund remains with the Foundation until needed and serves as a resource available to the Board for strategic priorities and special initiatives.

Mr. Venkatachalam asked about the status of proposed employee salary increases under consideration by the General Assembly. Mr. Conti responded that the original budget assumption included a 2% increase; however, more recent proposals under consideration include a 3% increase in the House version and a 3.5% increase in the Senate version. He noted that staff will adjust the budget accordingly once final action is taken by the Commonwealth.

Ms. Wright explained that when the General Assembly approves salary increases for state employees, funding is generally provided to cover those increases for General Fund-supported positions. She noted that positions not funded through the General Fund must be funded through Science Museum earned revenue.

Capital and Operating Funding Requests

Mr. Conti reviewed the Science Museum's proposed capital and operating funding requests for consideration during the upcoming state budget process. He noted that the requests are intended to support the Science Museum's continued growth, long-term facility planning, and operational needs associated with expanding services across multiple locations.

- A capital funding request of approximately $3 million was presented to support detailed planning for the refurbishment and reallocation of interior space within the Science Museum.
- An operating funding request of approximately $700,000-$900,000 was presented to provide additional General Fund support for Northern Virginia Science Center operations. The request is intended to help achieve the initial $2 million level of support sought during the 2026 General Assembly session.
- A separate operating request of $975,000 was presented to permanently increase the Science Museum's Nongeneral Fund appropriation authority.

Mr. Conti explained that the Science Museum's expansion and continued growth require corresponding increases in both capital planning resources and operational support. He noted that the proposed requests are designed to position the organization for long-term success while ensuring that facilities, staffing, and visitor services can be sustained at an appropriate level.

Committee members discussed the importance of aligning state support with the Science Museum's increasing operational responsibilities. Mr. Conti emphasized that the requested Nongeneral Fund appropriation does not represent additional state funding but rather authority for the Science Museum to spend earned revenue. He noted that obtaining permanent appropriation authority would reduce the need for annual requests as the organization continues to grow.

Trustee Discretionary Fund Resolution and Committee Business

Mr. Conti reviewed the proposed Trustee Discretionary Fund transfer and discussed the actions that would be presented to the Board of Trustees for consideration. Additional discussion focused on committee membership and governance matters affecting the committee's ability to take formal action.

- Mr. Conti reviewed Resolution #002-2026, which proposes an additional allocation of Trustee Discretionary Fund resources to support implementation of the Science Museum's rebranding initiative.
- Under Resolution #002-2025, the Board previously approved $200,000 to secure third-party expertise to guide development of an updated Science Museum brand in advance of the organization's 50th anniversary.
- Resolution #002-2026 requests an additional transfer of $350,000 from the Trustee Discretionary Fund to support the expanded scope of the branding initiative, including integration of both satellite locations, website redesign, production expenses, and other implementation costs associated with the new Science Museum brand.

Committee members discussed the status of Finance Committee appointments and current membership. During the discussion, staff noted that the committee did not have a sufficient quorum to conduct official business.

As a result, the committee was unable to formally approve prior meeting minutes or take official action to recommend agenda items to the Board of Trustees. Committee members acknowledged that the proposed FY27 Enterprise and Operating Budget, Capital and Operating Funding Requests, and Resolution #002-2026 would instead be presented directly to the Board of Trustees for consideration and action at the full Board meeting.

Attendance and Exhibition Report

Ms. Moyer presented an attendance update and reviewed upcoming exhibitions and film offerings. She reported continued growth in overall visitation and noted that the Science Museum is on track to achieve a third consecutive record year of attendance.

- Year-to-date visitation has reached 539,453 guests, representing a 4.9% increase compared to the same period last year.
- Group visitation totals 66,505 guests, representing a 15% decrease compared to the prior year. Weather-related disruptions earlier in the year contributed to lower group visitation levels.
- *Survival of the Slowest* opened on May 23, 2026, and welcomed approximately 14,899 visitors through June 16.
- Upcoming exhibitions in the Garner Gallery include *Science Unplugged*, *Rescue*, *Above & Beyond*, and *Phenomena*.
- Upcoming exhibitions in the Dewey Gottwald Center include *Survival of the Slowest* and *Food: Science, Culture, Cuisine*.
- *Horse Power* opened in The Dome in April and *Wild Rescue* is scheduled to open in July.

No questions were raised by committee members.

Foundation Update

Mr. Coppage presented the Foundation Report and provided updates on fundraising performance, investment management activities, Foundation finances, and the proposed FY27 Foundation budget.

- approximately $5.5 million is the projected amount raised for FY26.
- Investment revenue performance remains stable and generally consistent with the prior year.
- Foundation operating expenses have increased primarily due to staffing changes and planning activities associated with the Science Museum's upcoming 50th anniversary.
- Operating support provided to the Science Museum is lower than the prior year due primarily to the timing of fund transfers rather than a reduction in support.
- Total Foundation assets are approximately $39.5 million.
- Foundation assets include approximately $27 million in endowment funds, $10.5 million in cash, $1.1 million in pledges receivable, and approximately $30,000 in other assets.
- The Foundation conducted a comprehensive review of investment advisory services to evaluate long-term investment management strategies. An advisory committee conducted a detailed review of the submissions and recommended JP Morgan as the Foundation's new investment manager.
- Staff noted that JP Morgan distinguished itself through the depth of its resources, investment platform, reputation, competitive fee structure, and philanthropic support services.
- The proposed FY27 Foundation budget anticipates an operating surplus.
- The Foundation plans to transfer $250,000 to the Trustee Discretionary Fund for future Science Museum priorities.

- An additional $100,000 has been designated to support Science Within Reach initiatives.
- The FY27 budget projects approximately $7 million in total revenue, including approximately $5.5 million in fundraising revenue.
- Membership revenue is projected to decrease within the Foundation budget as membership administration transitions back to the Science Museum.
- Expense growth in FY27 is primarily attributable to increased fundraising activity and campaign-related efforts.

Mr. Coppage discussed the Foundation's investment management review process and noted that the evaluation focused on ensuring the Foundation's long-term investment pool is structured in the most effective manner possible.

Committee members reviewed the proposed FY27 budget and discussed the Foundation's plans to support both the Trustee Discretionary Fund and Science Within Reach initiatives. Staff noted that projected revenue growth and a healthy asset position will allow the Foundation to continue providing meaningful support to the Science Museum while investing in future fundraising opportunities.

No questions were raised by committee members.

Looking Ahead

Mr. Conti concluded the meeting with a forward-looking discussion regarding the Science Museum's financial position and strategic priorities for FY27. He emphasized the organization's strong financial foundation and readiness to advance several major initiatives during the coming year.

Mr. Conti stated that the Science Museum is well-positioned to move forward with confidence and emphasized the importance of maintaining a disciplined approach to financial management while advancing key strategic initiatives. He noted that staff will continue to monitor progress closely and make adjustments as needed.

Mr. Ivins asked a question regarding funding associated with the brand consultant and potential coordination efforts. Mr. Conti responded to the inquiry.

New Business

Ms. Burgin called for any new business or additional questions from committee members. No new business was presented and no additional questions were raised.

Adjournment

Because the committee did not have a quorum present, the meeting was conducted as an informational meeting only.

The next Finance and Business Operations Committee meeting is scheduled for Thursday, October 22, 2026.