

THE VIRGINIA MUSEUM OF FINE ARTS  
Minutes of the Joint Executive and Fiscal Oversight Committee Meeting  
Held, pursuant to due notice, in The Claiborne Robertson Room  
Wednesday, 1 September 2010, 12:00 pm

Presiding: Thurston R. Moore, Chairman  
Secretary: Ms. Suzanne Broyles

There were present:

Thurston R. Moore, Chair, Board of Trustees  
John A. Luke, Jr., Chair, Fiscal Oversight Committee  
Martin J. Barrington  
Herbert A. Claiborne III  
Grant H. Griswold  
Mrs. Stanley F. Pauley  
Agustin Rodriguez  
William A. Royall, Jr.  
John R. Staelin, Vice-Chair, Fiscal Oversight Committee  
Mrs. Suzanne T. Mastracco, Ex-Officio, Statewide Vice President

By Invitation:

Alex Nyerges, Director  
Stephen D. Bonadies  
David B. Bradley  
Ms. Suzanne Broyles  
Dr. Lee Anne Chesterfield  
Leon Garnett  
Ms. Anne Kenny-Urban  
Robin Nicholson  
Ms. Nancy H. Parsons  
Ms. Alexis Vaughn

Absent:

Alfonso L. Carney, Jr.  
James C. Cherry  
W. Birch Douglass III  
Thomas F. Farrell II  
James W. McGlothlin  
Michael J. Schewel  
Ranjit K. Sen

I. REPORT OF THE CHAIRMAN – Thurston R. Moore

The meeting was called to order by the Chairman, Thurston Moore, at 12:10 pm. He welcomed everyone and said it was a privilege and pleasure to be working with the Board as its President. He announced that the Governor has appointed five new Trustees to our Board and welcomed new trustee Bill Royall who was present. He noted that the purpose of

today's meeting was to have John Luke, Alex Nyerges, and Anne Kenny-Urban present the budget and review the budgeting issues and changes they have been working on.

## II. MINUTES

**Motion:** proposed by Mr. Luke and seconded by Mr. Rodriguez that the Minutes of the last meeting of the Executive Committee held on the 16th of June 2010 be approved as distributed on the 21st of July 2010. Motion carried.

## III. REPORT OF THE DIRECTOR – Alex Nyerges

Alex Nyerges noted that the Museum has been in the spotlight continuously and many people and school groups have visited. He announced that the garden is almost complete. He explained that the walkway pavers will be replaced and the mastic that caused problems will be removed. He added that we are close to being whole with the expansion and garden projects and we plan to be aggressive on the change orders.

Mr. Nyerges indicated that this would be the first budget process without Chief Operating Officer Carol Amato at the table. He said that new budget manager, Anne Kenny-Urban, has done a splendid job getting up to speed in two months time. He informed the committees that this budget will have a whole new approach which is a good thing. The Director also mentioned that six strong candidates for the Chief Financial Officer opening will be interviewed starting tomorrow.

## IV. REPORT OF THE FOUNDATION – Herbert A. Claiborne III, President

Herbert Claiborne III reported that the Foundation Nominating Committee had a strong roster of candidates and will meet within the next three weeks to firm up the list before the Foundation's annual meeting in October.

## V. REPORT OF THE FISCAL OVERSIGHT COMMITTEE – John A. Luke, Jr., Chair

John Luke commented that it was good to be here with everyone and he was pleased to step in to head the Fiscal Oversight Committee despite the challenges we will discuss today. He noted that the distributed budget shows a gap of \$400,000 which has been partially closed at this point but punctuates the challenge of needing future revenue streams going forward.

Mr. Luke called on Anne Kenny-Urban to review the differences in the budget this year. Ms. Kenny-Urban explained that the Foundation and the state budgets need to remain separate but in keeping with the changes in management structure, the new CFO will manage both budgets so that financial information from both will be available for better planning. She added that this year the enterprises will be coming into the state budget and enterprise employees will become state employees. Ms. Kenny-Urban went on to review the revenue considerations and pointed out that we are using every revenue stream available, not only the full Evans distribution of \$2.88 million, but also the majority of the unspent FY10

distribution of \$880,000. She noted that memberships continue to exceed expectations and should generate more than \$1 million in revenues in FY11. She indicated that initiatives may be undertaken to raise revenues and additional fundraising could provide additional support for key Museum initiatives and exhibitions.

Anne Kenny-Urban reported that the reinstallation requests exceeded the funds originally allocated for reinstallation in the Top Ten Campaign by \$438,823 and steps are being taken to address the shortfall. The proposed budget exceeds the state approved budget in Chapter 874. As a result VMFA will apply for an amendment to the Appropriations Act to increase its spending limits. Additional money may be requested to support increased operational costs and additional VITA charges for IT services. The major risk is that we might experience lower than expected attendance at ticketed exhibitions. Attendance drives ticket revenue and business in the enterprise operations. Strong attendance at the Picasso exhibition is critical and VMFA is expecting to raise an additional \$1.2 million in corporate and private sponsorship. Progress against this goal will be closely monitored.

In conclusion VMFA realizes how critical a positive visitor experience is and believes that the current budget provides the necessary support to the development of exhibitions. Alex Nyerges added that continued attention will be paid to all opportunities to reduce expenses and monitor earned revenue streams to be prepared to make any budget or programmatic adjustments in a timely manner. He emphasized that raising the remaining \$1.2 million is critical for the upcoming most important exhibition in the Museum's history.

The Director announced that in the future the budget process will begin in January, be taken to the Executive Committee in the spring, and then to the full board for approval in May. John Luke thanked Anne Kenny-Urban for the good job she did presenting the budget. He indicated that the risks mentioned showed that we have a lot of work to do and we must plan accordingly.

**Motion:** proposed by Mr. Luke and seconded by Mr. Barrington that the Executive and Fiscal Oversight Committees approve the budget as presented subject to a balanced budget. Motion carried.

## VI. REPORT OF DEVELOPMENT – Nancy Parsons, Deputy Director of Development

Ms. Parsons gave an update on the Campaign and the Annual Fund. She thanked those present for their wonderful support. She said we have reached and exceeded some goals but we have a very long way to go with others. She said with the good leadership we have in John Luke and Pam Reynolds we are set for success moving forward toward our 75<sup>th</sup> Anniversary Campaign. Ms. Parsons stated that our membership number was 7,000 last September and now we have 18,000 of the 20,000 goal for this year.

She thanked Altria and Marty Barrington for their really important lead sponsorship of the Picasso exhibition. She asked the group for suggestions for corporate sponsors to reach the \$1.2 million still needed. She noted that individual support was also welcome and for a gift of \$100,000 or more, your name will be placed on the donor wall.

President Moore thanked Ms. Parsons for her great report and said we are all looking forward to the September 15 and 16 Board of Trustee meetings.

No additional business was brought before the Committee, and the meeting adjourned at 1:35 pm.

Recorded: \_\_\_\_\_ Date: \_\_\_\_\_  
Suzanne Broyles, Secretary

Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
Thurston R. Moore, Chairman

Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
Alex Nyerges, Director