

Date: _____ Approved: _____

THE VIRGINIA MUSEUM OF FINE ARTS
Minutes of the Meeting of the Board of Trustees
Wednesday, 16 February 2011, 12:30 pm
The Claiborne Robertson Room

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

There were present:

Thurston R. Moore, President
Mrs. Suzanne T. Mastracco, Statewide Vice-President

Karen C. Abramson
Martin J. Barrington
Alfonso L. Carney, Jr.
James C. Cherry
Mrs. Whitt W. Clement
W. Birch Douglass III
Dr. Elizabeth A. Fisher
Cynthia Kerr Fralin
Susan S. Goode
John H. Hager
Dr. Elizabeth F. Harris
Ivan P. Jecklin
John A. Luke, Jr.
Ms. Barbara-lyn B. Morris
Mrs. Stanley F. Pauley
Agustin Rodriguez
William A. Royall, Jr.
Michael J. Schewel
Ranjit K. Sen
John R. Staelin
Dr. Shantaram K. Talegaonkar
Ms. Mary F. White

By Invitation:

Alex Nyerges, Director
Stephen D. Bonadies
David B. Bradley
Ms. Suzanne Broyles
Dr. Lee Anne Chesterfield
Dr. Monroe E. Harris, Jr.
Ms. Joan W. Murphy
Robin Nicholson
Ms. Jayne Shaw
Ms. Fern Spencer

Ms. Tina Stoneburner
 Ms. Alexis Vaughn

Absent:

G. Moffett Cochran
 Mrs. Louise B. Cochrane
 Thomas F. Farrell II
 Grant H. Griswold
 Mrs. Jane Joel Knox
 Ms. Frances A. Lewis
 H. Eugene Lockhart, Jr.
 Steven A. Markel
 James W. McGlothlin
 Dr. Alvin J. Schexnider
 Dr. Lindley T. Smith

I. CALL TO ORDER

The President, Thurston R. Moore, called the meeting to order at 12:40 pm and welcomed everyone.

II. MINUTES

Motion: proposed by Mr. Moore, seconded by Mr. Jecklin that the Minutes of the last meeting of the Full Board of Trustees held on the 9th of December 2010 be approved as distributed on the 31st of January 2011. Motion carried.

III. REPORT OF THE PRESIDENT – Thurston, R. Moore

President Thurston R. Moore announced that he has asked John Luke, Chair of the Fiscal Oversight Committee, and Fern Spencer, Chief Financial Officer, to take on a Risk Management Project for us. They will take a broad healthy look at our risks for liability, collections, IT, and financial and audit risks. It was thought that the first report will be shared with the Full Board at the May meeting.

The President said that the state Senate passed a bill changing our nominating process but we do not view it as a change in substance. He explained that we were the only state agency that had a restrictive right as to whom the Governor could appoint to our Board in that he was to appoint only from a list we sent to him. The reality was that he could ask to add to our list. The statute will change to allow the Governor to appoint trustees after consideration of a list we tender at least 60 days before the end of the term. Mr. Moore said we have recently been engaged in conversation with the Administration about our board openings more than we have in the past so this change will not present a problem.

President Moore reminded the Board that the next quarterly trustee meetings will be held all on one day, May 16th, and the Trustee/Former Trustee Dinner will be held that evening.

IV. REPORT OF THE DIRECTOR – Alex Nyerges

Alex Nyerges reported that Fern Spencer, CFO, has been realigning the budget process with the goal of having an approved budget in place at the start of the new fiscal year.

The Director noted that he has hired Lisa Byala of Byala Associates in New York, as our search counsel for our next Deputy Director for Development. He said Ms. Byala can conduct a broad search of the non-profit world and find candidates we would otherwise not connect with. He added that he was thankful that Jayne Shaw, Interim Deputy Director for Development, is a candidate for the position.

Mr. Nyerges reported that some senior Museum members have requested a Dual Senior Membership category as currently we only have an Individual Senior membership at \$40 and a regular Dual membership at \$65. The Trustee Executive Committee has recommended this to the Full Board. The following motion was proposed.

Motion: proposed by Mr. Moore and seconded by Mr. Staelin that the Full Board of Trustees ratifies the recommendation made by its Executive Committee to approve a Senior Dual Membership category at \$55 to become effective on July 1, 2011. Motion carried.

V. REPORT OF THE FOUNDATION - Dr. Monroe E. Harris, Jr.

Dr. Monroe Harris, President of the VMFA Foundation brought greetings from the Foundation Board. He announced that the new directors attending the February 1 Foundation Board meeting included John Curtis, Keith Kisse, Jim Klaus, and Mark Sisisky. At that meeting Fern Spencer was elected Foundation Treasurer and Alex Nyerges gave a presentation on recent VMFA acquisitions. Dr. Harris explained that the Foundation managed money is being used for investments and the pooled fund was valued at \$165 million on December 31, 2010, an improvement over the prior year of \$10 million. For 12 months the fund returned 13.95% vs. the benchmark index of 13.48%. He said work is continuing with Monticello Associates, our new consultant, to reposition the fund as well as modify our investment policy. He added that the taxes were filed yesterday and are available for review by Board members.

VI. REPORT OF DEVELOPMENT – Jayne Shaw, Interim Deputy Director for Development

Jayne Shaw thanked the Board of Trustees for all their work on behalf of the Museum for making the amazing *Picasso* exhibition possible and said that everyone is looking forward to the sponsor gala, dinner and whimsy this evening. She thanked Marty Barrington for

the wonderful exhibition support of Altria Group. Ms. Shaw then turned to the distributed Monthly Development Report for January 2011. She reported on the Top Ten Campaign saying that it has reached 73% of the \$60 million goal or \$44,094,777. She stated that the Annual Fund has reached 43.9% of the \$2 million goal or \$877,359. The great news is that Membership is at 25,702 today which is mostly due to the *Picasso* show. Our FY11 Membership goal was 20,000 and President Moore remarked that it was very exciting to be 5,700 over that goal. Ms. Shaw said other gifts received are \$1,057,630 to date and of that figure, \$37,992 was given this past January.

VII. COMMITTEE REPORTS

a. Art and Audience Committee – Robin Nicholson, Chief Art & Education Officer

Robin Nicholson reported that the purpose of the Committee was to see how exhibitions affect our audiences so it was appropriate that on the evening of the great *Picasso* exhibition we took the Committee members on a walk-through of the exhibition. Starting at the Visitor's Services Desk with a membership purchase or a ticket transaction Committee members were shown where crowds would line up when we go into operation. The Committee was then taken through the exhibition which ends with the Picasso Museum Shop. The Committee was impressed with the size and layout of the exhibition and everyone looked forward to spending more time in the galleries.

b. Fiscal Oversight Committee – John A. Luke, Jr., Chair

John A. Luke, Jr. reported that today the Fiscal Oversight Committee reviewed financial performance to date and other initiatives. He added that our CFO, Fern Spencer, was doing a wonderful job and called on her to review the new budget process schedule. Ms. Spencer explained that the FY12 budget will be up for approval by the Full Board of Trustees on May 16th and then we can start the new fiscal year on July 1 with the new budget.

Fern Spencer reminded the group of the Governor's budget amendments that gave us a reduction of \$32,200 in FY11 and \$131,220 in FY12. We also received a net increase of \$113,442 to fund December bonuses and other adjustments. This gave us a total net increase in identified actions for FY11 of \$81,242 in the State General Funds. Ms. Spencer noted that the legislative actions we have pending are: additional funding for new IT costs from VITA-NG of \$103,177, legislation to restore 11.5 MEL lost as a part of the Enterprise Conversion, and additional funding to cover unanticipated personnel costs as part of the Enterprise Conversion of \$50,000 for FY11 and \$100,000 for FY12.

Ms. Spencer went on to discuss the recent mid-year revisions to the FY2011 budget. She noted that we identified \$921,496 in savings or opportunities to defer projects to FY12. Also identified was \$223,006 in additional expenses. She distributed a chart showing all the FY11 adjustments as of February 14, 2011 and reviewed it with the Board.

Motion: proposed by Mr. Staelin and seconded by Mr. Cherry that the Board approve the budget revisions as presented. Motion carried.

The Chief Financial Officer explained that three exhibitions fell short of their forecasts last fall and this has led us to revise the *Ife* exhibition forecast downward by \$132,700 and to decrease ticket prices to \$8 from \$15. She gave an overview of exhibition ticket sales revenue. President Moore explained that we are a start-up and don't know the recipe yet. Exhibitions have had the good impact of increasing membership and we will continue to look at the costs of future exhibitions. He added that we are learning by experience and he is confident that we will come to the right conclusions.

VIII. CLOSED SESSION REPORT

At 1:12 pm the meeting went into closed session for the Art Acquisitions Sub-Committee report.

Motion: proposed by Mr. Moore, seconded by Mr. Douglass that the meeting to go into closed session under Section 2.2-3711(A) (6), (8), and (9) of the Freedom of Information Act to discuss the investing of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the Museum would be adversely affected, and to discuss and consider matters relating to specific gifts, bequests, and fundraising activities, and grants and contracts for services to be performed, and for discussion of matters relating to specific gifts, bequests, and grants. Motion carried.

At 1:47 pm by motion proposed, seconded, and carried, the meeting resumed in open session.

Motion: proposed by Mr. Moore and seconded by Dr. Fisher, that the Board certify that the closed session just held was conducted in compliance with Virginia State law, as set forth in the Certification Resolution distributed and appended to these minutes. Motion carried.

A roll call vote was taken by the Secretary, the results of which are outlined in the Certification Resolution.

Motion: proposed by Mr. Moore and seconded by Ms. White that the Board ratify the recommendation the Art Acquisitions Sub-Committee made in today's meeting to approve the following purchases for the amounts and from the funds specified:

1. Korean, Joseon dynasty (1392-1910), Covered Jar with Peony Design, late 19th century, Haeju ware; porcelain with underglaze cobalt blue decoration, 9½ x 8¼", for a price of \$3,500, from the East Asian Art Deaccessioning Funds, Vendor: Kang Collection Korean Art, New York
2. Jun Kaneko (Japanese, born 1942, active in the United States since 1963), Untitled, Mission Clay Pittsburg Project, 2004-2007, glazed ceramic, 104¼ x 21¾ x 56¼", for a price of \$184,000 (reduced from \$230,000), from the Aldine S. Hartman Endowment Fund (\$20,000); two additional payments in Spring and Fall 2011, Vendor: Acquired directly from the artist

3. Man's Wrapper ("*Kente*" cloth), 20th century, Akan or Ewe culture (Ghana, Togo), cotton, 71 x 119" \$5,000
 - Man's Wrapper ("*Kente*" cloth), 20th century, Akan culture (Ghana), rayon or silk, 90½ x 122½" \$5,000
 - Man's Wrapper ("*Kente*" cloth), 20th century, Akan culture (Ghana), cotton, 83¼" x 126¼" \$5,000
 - Blue and White Cloth, 20th century, Dogon culture (Mali), cotton, wool, 59¾ x 94½" \$5,000
 - Belt for a Priest of Eshu or Shango, 19th- 20th century, Yoruba culture (Nigeria, Republic of Benin), cotton, glass beads, cowries, leather, approx 45"w \$2,000
- For a price of \$22,000 total, from the Aldine S. Hartman Endowment Fund,
Vendor: Ousman Kabba, St. Alban's, NY

and the following purchase consideration using special funds:

1. Walter Crane (British, 1845-1915), designer, and Richard Joyce (British, 1873-1931), decorator, for Pilkington's Tile & Pottery Company (British (Clifton Junction, Manchester), founded 1892), Charger, designed 1904-06, made 1912, earthenware, gold and ruby luster, 19" dia., for a price of £24,000 (approx. \$38,170), from funds given in honor of Frederick R. Brandt by The Council of the Virginia Museum of Fine Arts, Nancy and Raymond Hunt, Dr. John M. Alexander and Mrs. Helen Inconstanti Alexander, the Brownell Family, and the Sydney and Frances Lewis Endowment Fund and the Swenson Art Nouveau Fund, Vendor: Fine Arts Society, London

and the following gift/purchase consideration:

1. Joshua Shaw (American. born England, 1776/7-1860), Natural Bridge No. 1: View from the Arch of the Bridge Looking down the Creek, Rockbridge County, Virginia, ca. 1820, oil and pencil on prepared paper, 10¼ x 13" (image: 6¾ x 9¾"), for a price of \$240,000 (\$275,000 asking price), from the J. Harwood and Louise B. Cochrane Fund for American Art; \$35,000 donated by Robert M. Hicklin, Jr. in honor of Wiley Hardy Wheat, Virginia Walker Christian, and Maria Gregory Tabb on the occasion of VMFA's 75th anniversary, Vendor/Donor: Robert Hicklin, c/o The Charleston Renaissance Gallery, Charleston, SC

and the following gift considerations:

1. Julian Alden Weir (American, 1852-1919), Anna, 1886, oil on canvas, 24 x 18"
Donor: Jane Joel Knox, Richmond, in celebration of VMFA's 75th anniversary
2. Unknown artisan, Dress Coat, ca. 1850, Lowell, Massachusetts, wool, brass buttons
Donor: Philip Nesmith, Richmond, in celebration of VMFA's 75th Anniversary
3. Charles W. Clewell (American, 1876-1965), Vase, ca. 1925, Canton, Ohio, ceramic with patinated metal casing, Donor: Nancy Hunt, Manakin-Sabot, in celebration of VMFA's 75th Anniversary

4. Peter Behrens (German, 1868-1940), designed for Allgemeine Elektrizitäts-Gesellschaft (AEG) (Berlin, founded 1883), Electric Tea Kettle, designed 1908-09, 1909, brass, cane, 9 x 8½ x 6” (L11.2010)
Donor: Osdene Family LLC, Richmond, in celebration of VMFA’s 75th Anniversary
5. Japanese, Meiji period (1868-1912), Seasonal Flowers and the Maple Tree, late 19th to early 20th century, Pair of two-panel folding Screens, ink and color on gold-leaf paper, each screen: 67¼ x 52-3/8”, each image: 61¼ x 46-3/8”
Donor: Charles L. Vincent, Falls Church, in celebration of VMFA’s 75th anniversary
6. Pomo Basket, fiber, 7½ x 10½ x 3-3/4”
Donor: Mrs. Katherine B. Wallace, Richmond, in celebration of VMFA’s 75th anniversary
7. Celena Anne Hawkins Barksdale (American, 1853-1936), Crazy Quilt, ca. 1880, Lynchburg, Virginia, 65 x 86”, Donor: Mary Anne Harrah Lock, Sunnyvale, CA, in celebration of VMFA’s 75th Anniversary

Motion carried.

IX. STRATEGIC PLAN OVERSIGHT UPDATE – Alex Nyerges

Alex Nyerges reviewed specifics of the Second Quarter Strategic Plan implementation update sent to the Trustees before the meeting. He explained those initiatives with delayed status, such as in Exhibition Design, where we are in the process of hiring a new Chief of Exhibition Design. Mr. Nyerges said attendance numbers are behind forecasts but should improve as we have 33,000 pre-sale ticket purchases for *Picasso*. We are doing well in managing our organization and resources as shown on page 3, Strategy 3 of the update. Also, page four shows we are behind in our technology goals and this is due to a lack of funding at the moment. The Director noted that Development is doing extremely well on all levels and delays are due to the Deputy Director for Development vacancy and the ongoing work to restructure the support group, Canvas.

X. ART MOMENT – Alex Nyerges, Director

Alex Nyerges paused for a moment to say he could not be more proud of what the staff here has accomplished. He said he knew that everyone was focused on *Picasso* tonight, but there are many other exciting exhibitions open at this time also. He gave a PowerPoint presentation illustrating the newly opened Dominion Resources African Gallery which holds the largest collection of African Art in the country. He went on to cover the current exhibitions *Dynasty and Divinity: Ife Art in Ancient Nigeria*, *A Celebration of Print: 500 Years of Graphic Art from the Frank Raysor Collection*, *Civil War Drawings from the Becker Collection*, *the Fleeting Glimpse: Selections in Modern & Contemporary Photography from VMFA*, *Apocalypse: Monumental Paintings of the 1980s*, *Celebration of Spring: Woodblock Prints by Kawase Hasui*, *Jun Kaneko: Large Clay Works*, and *Recent Work: Paintings by Bill Fisher* in the Studio School Gallery. He mentioned the upcoming *Fabergé Revealed* exhibition scheduled for July 9th with a book on the fabulous VMFA Fabergé collection.

The Board was impressed with the long list of fascinating exhibitions. The Director then invited all interested parties to view the *Picasso* exhibition with him right after the meeting.

XI. OTHER BUSINESS/ADJOURNMENT

President Moore thanked the group for joining us today and said that *Picasso* is just the beginning of more exciting things to come here at VMFA. There being no further business brought before the board, President Moore adjourned the meeting at 2:15 pm.

Suzanne Broyles
Secretary of the Museum

MOTION:	Mr. Moore	MEETING:	Board of Trustees
SECOND:	Dr. Fisher	DATE:	16 February 2011

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Full Board of Trustees has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Full Board of Trustees hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Full Board of Trustees.

VOTE

AYES: Moore/Mastracco/Abramson/Barrington/Carney/Cherry/Clement/Douglass/Fisher
Fralin/Goode/Hager/Harris/Jecklin/Luke/Morris/Pauley/Rodriguez/Royall/Schewel
Sen/Staelin/Talegaonkar/White

NAYS: None

[For each nay vote, the substance of the departure from the requirements of the Act should be described.]

ABSENT DURING VOTE: None

ABSENT DURING MEETING: Cochran/Cochrane/Farrell/Griswold/Knox/Lewis/Lockhart
Markel/McGlothlin/Schexnider/Smith

Suzanne Broyles
Secretary of the Museum