

Date: _____ Approved: _____

VIRGINIA MUSEUM OF FINE ARTS
Minutes of the Fiscal Oversight Committee Meeting
Held, pursuant to due notice, in the Founder's Conference Room
Richmond, Virginia
Thursday, May 27, 2010, 10:45 am

Presiding: Thurston R. Moore, Chairman
Secretary: Ms. Trudy Norfleet

There were present:

Thurston R. Moore, Chair
John A. Luke, Jr., Vice-Chair
James C. Cherry
Herbert A. Claiborne, Jr.
Herbert A. Claiborne III
W. Birch Douglass III
Grant H. Griswold
John A. Luke, Jr.
Agustin Rodriguez
Geoffrey P. Sisk
John R. Staelin
Pamela Reynolds, Ex-Officio
Richard G. Tilghman, Ex-Officio

By Invitation:

Alex Nyerges, Director
Ms. Carol Amato
Stephen D. Bonadies
David B. Bradley
Leon Garnett
Brian Haggard
Ms. Anne Kenny-Urban
Ms. Joan W. Murphy
Robin Nicholson
Ms. Trudy Norfleet
Ms. Nancy H. Parsons
Ms. Jayne Shaw
Ms. Alexis Vaughn

Absent:

William J. Armfield IV
Alfonso L. Carney, Jr.
John R. Curtis, Jr.
H. Hiter Harris III
Mrs. Stanley F. Pauley
Dr. Joseph R. Vilseck, Jr.

Mrs. Suzanne T. Mastracco, Ex-Officio

I. CALL TO ORDER

The Chairman, Thurston R. Moore, called the meeting to order at 10:50 am.

II. MINUTES

Motion: Proposed by Mr. Staelin and seconded by Mr. Luke that the minutes of the last meeting of the Fiscal Oversight Committee held on February 18, 2010 be approved as distributed on March 17, 2010. Motion carried.

III. DIRECTOR'S REMARKS

Mr. Nyerges commented that in light of the present economy, VMFA's operating budget is healthy. The challenges are on the capital side with continuing expansion expenses and the need to complete the current capital campaign.

IV. DISCUSSION

Chief Financial Officer

Mr. Moore called attention to the Employee Work Profile for the Chief Financial Officer. VMFA will need to recruit and employ a high level person with business expertise as well as government/state experience. It would be advantageous for the candidates to also have museum and non-profit experience. Recruitment will begin soon on local, regional and possibly national levels.

Budget

Ms. Amato reviewed the financial summary presented through March 31, 2010, explaining that it included many one-time items that will not appear in future budgets. Although VMFA will finish the year within budget, many of the expenditures have taken place in April and May in preparation for the opening and in subsequent support of the expanded museum.

Ms. Amato pointed out that membership revenue has exceeded predictions as people anticipated the opening, anticipated an increase in membership rates, and wanted to see the special exhibitions.

She reviewed the income and expenses from the enterprise categories. The Trustees asked for a more detailed breakout of these categories on future reports.

Mr. Sisk commented that his company had recently held an event at the museum. He was extremely pleased with the venue, the service, and the food. He felt the cost was

reasonable and that the entire experience was top notch. He strongly encouraged others to use VMFA for their personal and corporate events.

Brian Haggard reviewed the Capital projects using the handout provided. Ms. Amato commended Mike Slatner, Building Superintendent, and Mr. Haggard for their work on the fire suppression installation.

Mr. Haggard continued by reviewing the Maintenance Reserve projects and status. Funding for Maintenance Reserve projects is allocated based on a plan submitted by the agency to the Department of Planning and Budget (DPB). The allocated funds can only be spent on the projects listed and approved by DPB. If the agency wishes to change a project or complete them in a different order, it must seek permission to do so.

Much of the failing, fire retardant plywood has been replaced, but the Mellon galleries and several other areas could not be accomplished before the opening and remain to be done. It is hoped that the Mellon art could travel while those areas are being redone, and VMFA will discuss this possibility with the Mellon trustees.

Expansion Project

Ms. Amato reviewed the Master Project Budget Estimate and explained that Whiting-Turner has requested additional money (\$1,421,641 total) to cover change orders. VMFA has met with the state's Bureau of Capital Outlay Management (BCOM) and the Attorney General's office to determine if negotiation is possible. The response was that if VMFA has a permanent Certificate of Occupancy, negotiations could take place. Whiting-Turner is ready to meet for this purpose. What cannot be negotiated will have to go through legal channels.

Change in Positions

Ms. Amato announced that Ms. Anne Kenny-Urban would replace Dave Barbour in budget management. She will continue her work with ARMICS.

Mr. Moore congratulated Mr. Luke on his new role as Chairman of the Fiscal Oversight Committee.

V. ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 11:45 am.

Trudy E. Norfleet
Acting Secretary