

Date: _____ Approved: _____

VIRGINIA MUSEUM OF FINE ARTS
Minutes of the Fiscal Oversight Committee Meeting
Held, pursuant to due notice, in Conference Suite Room #2
Richmond, Virginia
Thursday, September 16, 2010, 10:45 am

Presiding: John A. Luke, Jr., Chairman
Secretary: Ms. Trudy Norfleet

There were present:

John A. Luke, Jr., Chairman
John R. Staelin, Vice-Chairman
Herbert A. Claiborne III
W. Birch Douglass III
H. Eugene Lockhart
Agustin Rodriguez
William A. Royall, Jr.
Thurston R. Moore, Ex-Officio

By Invitation:

Alex Nyerges
David B. Bradley
Leon Garnett
Ms. Anne Kenny-Urban
Ms. Joan W. Murphy
Robin Nicholson
Ms. Trudy Norfleet
Ms. Nancy Parsons
Ms. Cathy Turner
Ms. Alexis Vaughn
Ms. Randy Webne

Absent:

Alfonso L. Carney, Jr.
James C. Cherry
Grant H. Griswold
Mrs. Stanley F. Pauley
Michael J. Schewel
Ranjit K. Sen

I. CALL TO ORDER

The Chairman, John Luke, called the meeting to order at 10:47 am.

II. MINUTES

Motion: Proposed by Mr. Staelin and seconded by Mr. Rodriguez that the minutes of the last meeting of the Fiscal Oversight Committee held on the 27th of May 2010 be approved as distributed on the 21st of July 2010. Motion carried.

III. DIRECTOR'S REMARKS

Mr. Nyerges said that the search for a Chief Financial Officer (CFO) is progressing. For the new members, he explained that the Museum had been operating with a Chief Operating Officer (COO) who has just retired. The COO managed the state side of the budget that included the operating and capital budgets while David Bradley managed the Foundation budget. In keeping with the changes in management structure, a CFO will be hired. Although the funds will still be maintained separately, the CFO will manage both the state and the foundation budgets so that financial information from both budgets will be available for better planning. Consultants may be brought in to advise the museum on how best to develop and manage the new financial structure. The Director indicated that he envisioned a simplified structure that would detail Operating, Acquisitions and Capital budgets.

There were 70 applicants for the CFO position. Six (6) people were interviewed and three (3) will be brought back for second interviews with several Trustees as well as VMFA management before a final selection is made.

IV. DISCUSSION

Budget

Ms. Anne Kenny-Urban, VMFA's new budget manager, reviewed the financial summary for FY10.

V. CLOSED SESSION

The meeting went into closed session at 11:02 am with the following motion:

Motion: Proposed by Mr. Staelin and seconded by Mr. Douglass that the meeting go into closed session under Section 2.2-3711 (A), subsections (1) and (29) of the Freedom of Information Act to discuss a personnel matter which is not public, and for discussion of the terms and scope of the contracts for the expansion, sculpture garden and parking deck where discussion in open session would adversely affect the bargaining position or negotiating strategy of the Museum. Motion carried.

At 11:44 am, by motion proposed, seconded and carried, the meeting resumed in open session.

Motion: proposed by Mr. Luke and seconded by Mr. Rodriguez that the Committee certify that the closed session just held was conducted in compliance with Virginia State law, as set forth in the Certification Resolution distributed. Motion carried.

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

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Fiscal Oversight Committee 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 (A) 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 Fiscal Oversight Committee 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 Fiscal Oversight Committee.

VOTE

AYES: Luke/Staelin/Claiborne/Douglass/Lockhart/Moore/Rodriguez/Royall

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: Carney/Cherry/Griswold/Pauley/Schewel/Sen

VI. DISCUSSION, continued

Ms. Alexis Vaughn, Deputy Director for Sales and Marketing, made a PowerPoint presentation on the state mandated shift of Enterprise workers (Museum Shop and Food Service/Special Events) from auxiliary status to state employee status. As Enterprise operations, they were operated much like private businesses. The employees had their own benefit program, position descriptions and salary ranges. There are 23 Full-Time Equivalent (FTE) positions and 150+ wage employees in these two operations.

All other state agencies have already converted their positions, and VMFA has been requested to complete the transition by January 1, 2011. Ms. Vaughn reviewed the pros and cons of making this conversion and the impact it will have on VMFA's operations.

Next Steps

- The job descriptions (employee work profile or EWP) will be adjusted to fit the state format.
- Current positions will be classified according to the state system.
- The new status will be fully explained to each Enterprise employee.
- Vendors will be entered into the state accounting system.
- Transition will be completed by January 1, 2011.

Mr. Rodriguez expressed concern about the additional cost associated with this transition and some of the adverse affects it would have on the Museum. He suggested that a report on the transition and how well it is working be provided to the Fiscal Oversight Committee next fall for review.

Bonus for Staff

The Commonwealth of Virginia has indicated that full-time state employees will receive a 3% bonus on December 1, 2010. This bonus is not available to wage personnel. There are approximately 200 FTEs and 300 wage employees at the Museum. The Department of Human Resource Management and the Department of Planning and Budget have been consulted by the Director for a way to provide the bonus to the wage employees as well. Both agencies responded negatively. The cost to provide the bonus to the wage employees is approximately \$58,000, and the Museum continues to seek a way to accomplish this.

VII. ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 12:05 pm.

Trudy E. Norfleet
Acting Secretary