

Date: \_\_\_\_\_ Approved: \_\_\_\_\_

VIRGINIA MUSEUM OF FINE ARTS  
Minutes of the Fiscal Oversight Committee Meeting  
Held, pursuant to due notice, in the Conference Suite Room #2  
Richmond, Virginia  
Wednesday, September 18, 2013, 10:30 am

Presiding: John A. Luke, Jr., Chair  
Secretary: Ms. Suzanne Broyles

There were present:

John A. Luke, Jr., Chair  
John R. Staelin, Vice-Chair  
Ms. Kelly B. Armstrong  
Mary Anne Carlson  
James C. Cherry  
W. Birch Douglass III  
Ms. Eva Teig Hardy  
Thurston R. Moore  
Dr. Claude G. Perkins  
Satya Rangarajan  
Benjamin W. Rawles III  
Michael J. Schewel  
Charles H. Seilheimer, Jr.  
William A. Royall, Jr., Ex-Officio

By Invitation:

Alex Nyerges, Director  
Stephen D. Bonadies  
Ms. Suzanne Broyles  
Dr. Lee Anne Chesterfield  
Ms. Anne Kenny-Urban  
Robin Nicholson  
Cameron O'Brion  
Ms. Jayne Shaw  
Ms. Fern Spencer

Absent:

Richard B. Gilliam  
Margaret N. Gottwald  
John H. Hager  
Terrell Luck Harrigan  
Dr. Monroe E. Harris, Jr.  
H. Eugene Lockhart

## I. **Call to Order**

Mr. John A. Luke, Jr., Committee Chair, called the meeting to order at 10:34 am and welcomed new Trustee Dr. Claude G. Perkins, President of Virginia Union University, to the Committee.

## II. **Minutes**

**Motion:** proposed by Mr. Luke and seconded by Mr. Staelin that the minutes of the last meeting of the Fiscal Oversight Committee held on the 14<sup>th</sup> of June 2013 be approved as distributed on the 22nd of August 2013. Motion carried.

## III. **Director's Remarks – Alex Nyerges**

Alex Nyerges remarked that all the news is good news. The most important is that our three years of exhibition programming experience for the new building has paid off and now we have our projections almost honed down to a science. He thanked Robin Nicholson, Anne Kenny-Urban and Fern Spencer for doing such an extraordinary job.

## IV. **Financial Update – Fern Spencer**

Fern Spencer was pleased to announce that the State will be changing its accounting system from the CARS system which used 1980s mainframe technology to the Cardinal System which is a customized PeopleSoft product with vendor support that allows for robust financial management processes on an accrual basis accounting vs. the current cash basis with powerful financial & operational reporting capabilities giving reports on demand.

Ms. Spencer provided the June, July, and August financials which had been sent to the committee members before the meeting and answered questions posed by the group.

## V. **FY14 Budget Adjustments – Fern Spencer**

Fern Spencer provided the FY14 budget adjustments to the adopted budget and reviewed highlights with the Committee. She fielded questions and showed a slide of consolidations for budget summary with expenses by department in functional areas. The Foundation budget was also provided. Chairman John Luke called for the following motion.

**Motion:** proposed by Mr. Schewel and seconded by Mr. Rangarajan that the Committee advance the budget as presented. Motion carried.

## VI. Long-term Exhibition Budget Projections – Robin Nicholson

Robin Nicholson showed that the museum operating budget for FY14 totaled \$34,400,000. He then provided a pie chart showing operating expenses with personnel being the largest portion at 57.2% and the exhibition program being the second to the smallest at 5.9%. He provided the exhibition budget total for FY14 (\$2,237,797) and a pie chart of the primary cost centers of the FY14 exhibition expenses showing that the Fees/Contract Labor/Insurance category was the largest segment at 21% and the R & D Potential Future being the smallest at 2%. He stated that only 4% is R & D for existing scheduled exhibitions. Mr. Nicholson took questions from Committee members. The group asked whether enough money has been budgeted for marketing. Mr. Nyerges replied that the new Division Head who will be hired by the end of this calendar year will make that decision. He added that new and different marketing and partnerships are planned for *Hollywood Costume*. Satya Rangarajan shared that education and outreach are more important for him, and education is given only a 3% slice in the pie chart. He feels that showcasing works to school children would also be considered marketing. Ms. Shaw mentioned that she has found that education is an increasing draw for corporate support.

Robin Nicholson provided the banner exhibition calendar for the years 2014 through 2017 and discussed each one. The budget projections were reviewed for the four upcoming banner exhibitions and for *Hollywood Costume*. Mr. Nicholson pointed out the differences in each exhibition's budget and took questions. Mr. Luke thanked Robin Nicholson and indicated that this topic will be continued.

## VII. Advancement Update – Jayne Shaw

Jayne Shaw reported that we closed out the year with over \$6 million raised and total members at 36,000 mostly due to *Chibuly*. She added that the renewal rate for leadership level donors is 95%, which is a very high rate. The customized membership level (\$150 to \$600) has an 85% renewal rate, and one factor for this success is the new technology which offers better tools to collect, analyze and report data. She reported that the Focus Series has been very successful. The goal was to upgrade everyone, give them incentives to give more and get more benefits, to focus members on our permanent collection, and to bring in new members. She went on to say that the fundraising goal for this year is a very ambitious \$3.8 million in unrestricted giving plus \$1.1 million in restricted giving with a grand total of cash and pledge revenue of \$4.9 million. Ms. Shaw remarked that *Hollywood Costume* did not turn out to be a popular support vehicle for corporations, but the future *Forbidden City* exhibition has corporations and individuals very excited.

## VIII. Other Business/Adjournment

There being no further business, the meeting was adjourned by Chair John A. Luke, Jr. at 12:04 pm.

Suzanne Broyles  
Secretary of the Museum