

Virginia Museum of Fine Arts
Draft Minutes of the Fiscal Oversight Committee Meeting
Wednesday, 16 March 2016, 10:00am
Norfolk Waterside Marriott, James Room

There were present:

Terrell Harrigan, Co-chair
Kelly B. Armstrong
W. Birch Douglass III
Kenneth Johnson, Sr.
Satya Rangarajan
Michael J. Schewel

By invitation:

Alex Nyerges, Director
Claudia E. Keenan
Laura Keller
Hossein Sadid
Kimberly Wilson

Absent:

John A. Luke, Co-chair
Thomas F. Farrell II
Richard Gilliam
H. Hiter Harris III
Jil Womack Harris
Dr. Monroe E. Harris
H. Eugene Lockhart
Steven A. Markel
Harry R. Thalhimer
Lilo Simmons Ukrop
William A. Royall, Jr.

I. CALL TO ORDER AND MINUTES APPROVAL

Co-chair Terrell Harrigan called the meeting to order at 10:17am and thanked the board members for attending.

Motion: proposed by Mr. Douglass and seconded by Mr. Schewel that the minutes of the December 9, 2015 meeting of the Fiscal Oversight Committee be approved as distributed.

II. FY16 BUDGET UPDATE

Chief Financial Officer Hossein Sadid provided an update on the FY16 budget through January 31st. Both revenues and expenses are higher than anticipated, up 4.6% and 4.3% respectively. He cited the McGlothlin galleries project, the satellite shop, and several other factors for the variance. The museum is on track to have a modest surplus on June 30, 2016. He outlined spending related to the

2020 Strategic Plan this fiscal year. A total of \$409,070 has been spent for the new Deputy Director for Human Resources, the space audit, new financial management software, strategic planning consultant fees, audience development, and visitor engagement, against the total budget of \$669,000 for this fiscal year.

III. PRELIMINARY FY17 BUDGET REVIEW

Mr. Sadid reviewed the current draft of the FY17 budget. The museum anticipates an 11% increase to both revenues and expenses related to the state-mandated salary increase, higher exhibition costs, and funded projects like the Mellon grant for the Center for Advanced Study in Conservation. There is currently a small deficit, but the staff are working toward balancing the budget by refining projected expenses and revenues. There was a discussion of the baseline budget as it relates to strategic planning expenses.

The group discussed ideas for decreasing expenses and increasing revenues. The staff reported on areas in which costs have been reduced across the museum.

IV. EXHIBITION FINANCIALS UPDATE

Ms. Keenan briefly reported on the final numbers for *Rodin: Evolution of a Genius*. It beat the attendance and revenue projections, reaching 87,455 visitors against a goal of 82,743, and \$456,633 in revenue against a goal of \$452,450.

V. OTHER BUSINESS/ADJOURNMENT

The group decided to delay a review of the prioritized audit areas and the human resources department.

There being no further business, the meeting was adjourned at 11:41am.

Recorded by: Laura Keller
Assistant to the Secretary of the Foundation